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8 November 1984

SOUTHEAST ASIA REPORT

CONTENTS

INDONESIA

SRV's Nguyen Co Thach's Moves Termed 'Puzzling' (Editorial; THE INDONESIA TIMES, 16 Oct 84).....	1
Minister Speaks on Transmigration Program (THE INDONESIA TIMES, 16 Oct 84).....	3
Tax Holiday Resumption, Simpler Investment Procedures Proposed (SINAR HARAPAN, 29 Aug 84).....	5
Ocean Shipping Problems, Need for New Strategy Cited (SINAR HARAPAN, 29 Aug 84).....	7
Hasyim Latief Discusses PPP-NU Relations (SURABAYA POST, 29 Aug 84).....	9
Briefs	
Pancasila-Religion Debate	11
Brunei Interest in National Education	11
Possible OPEC Price Cut	12
House Urged To Discuss Elections	12
Brunei Sultan to Yogyakarta	12
PDI Warned of Communists, Rightists	13
Murdani on Priok Riot	13
Mokhtar on Return of Hong Kong	13
DGI Supports Pancasila	14

LAOS

'Talk' Discusses Athit Personal Wealth, Power (S Sihathep; VIENTIANE MAI, 21 Sep 84).....	15
Columnist Discusses Thai Political Situation (S Thipthiangchan; VIENTIANE MAI, 25 Sep 84).....	18

Briefs

Vientiane-Hanoi Industry Agreement	20
Vientiane District Population	20
Agreement With SRV District (KPL)	20

MALAYSIA

Board To Coordinate Handling of Islamic Activities (UTUSAN MALAYSIA, 7, 8 Sep 84).....	21
Avoid Policy Conflicts Cooperation Necessary, Editorial	
Bank Bumiputra Records Heavy Losses in Fiscal 1983 (UTUSAN MALAYSIA, 21, 22 Sep 84).....	24
First Time Since 1965 Right to Know, Editorial	
Taiwan Wants To Build Plants, Introduce Products (BERITA HARIAN, 13 Sep 84).....	27
Army Faces Four Threats (UTUSAN MALAYSIA, 13 Sep 84).....	29
Editorial Warns Against Mullah Rule (SARAWAK TRIBUNE, 3 Sep 84).....	30
PAS Tactics at Ceramahs Noted (NEW STRAITS TIMES, 12 Sep 84).....	31
Government Restriction on Ceramahs Lowers Political Tension (NEW STRAITS TIMES, 13 Sep 84).....	34
PAS Defies Ban on Ceramahs (NEW STRAITS TIMES, 13 Sep 84).....	35
Status of Non-Chinese Gerakan in Question (NEW STRAITS TIMES, 2 Oct 84).....	39
Nuclear Energy Deferred Till Year 2000 (NEW STRAITS TIMES, 3 Oct 84).....	41
Malaysia-New Zealand Trade Gap Growing (Hashim Makarruddin; BUSINESS TIMES, 2 Oct 84).....	43
Malaysian Deficit Manageable (Dilip Mukerjee; BUSINESS TIMES, 3 Oct 84).....	45
Bank Cancels Interest Charges on Loans to Poor Farmers (BERITA HARINA, 8 Sep 84).....	46

LNG Exports Boost Sarawak's Trade Surplus (BERITA HARIAN, 8 Sep 84).....	48
ADB Approves Penang Port Loan (Hamidan Hamid; BUSINESS TIMES, 17 Sep 84).....	49
Petronas Bails Out Bank Bumiputra (Charles Chan; BUSINESS TIMES, 15 Sep 84).....	51
Petronas Takeover of Bank Bumiputra (BERITA HARINA, 15 Sep 84; UTUSAN MALAYSIA, 17 Sep 84).....	53
Bad Debts in Hongkong No Coverup, Editorial	
Young People Warned of Threats to National Resilience (BERITA HARIAN, 18 Sep 84).....	56
Development of Sarawak Gas Fields Planned (BERITA HARIAN, 20 Sep 84).....	57
Rubber Sales to East-Bloc Threatened (Adlin M. Zabri; BUSINESS TIMES, 3 Oct 84).....	59
\$3.3 Billion Revenues From Palm Oil This Year (NEW STRAITS TIMES, 3 Oct 84).....	60
Razaleigh Raps Industrial States (Ahmad A. Talib; BUSINESS TIMES, 11 Sep 84).....	61
Rice Farming Target Lowered (Khalid Jaafar; BUSINESS TIMES, 18 Sep 84).....	63
Oil Deposits at Langkawi Studied (NEW STRAITS TIMES, 27 Sep 84).....	65
Briefs German Built Frigates	66

NEW ZEALAND

Socialist Unity Party on Labor Conference, Government (NEW ZEALAND TRIBUNE, 17 Sep 84).....	67
Concern on Economic Policy Consensus Approach Offers Unity, Editorial	

Nuclear Ship Ban, Anzus Membership Debate Continues (THE NEW ZEALAND HERALD, 20, 21 Sep 84; THE EVENING POST, 21 Sep 84).....	69
Congressman's Remarks Spark Reaction Women's Council Opposes Nuclear Visits Opposition MP Cites U.S. Concern Opposition Debate Bid Fails Letter Cites Voter Support on Review Paper Views Costs of Policy	
Deputy Opposition Leader Sees Voter Confidence in Labor (THE NEW ZEALAND HERALD, 18 Sep 84).....	75
Anderton-Lange Rift Widens After Transtasman Trip (THE NEW ZEALAND HERALD, 18 Sep 84).....	76
Abra Governor Criticizes 'Instant Industrialization' Scheme (Abe P. Belena; BUSINESS TIMES, 19 Sep 84).....	77

PHILIPPINES

Demonstrators Continue Urging Sin To March (ANG PAHAYAGANG MALAYA, 7 Oct 84).....	80
Columnist Reports Local Role, Strength of KMT (Jake Macasaet; ANG PAHAYAGANG MALAYA, 8 Oct 84).....	81
Labor Minister's Remarks Hit Marcos, Technocrats (Editorial; ANG PAHAYAGANG MALAYA, 10 Oct 84).....	83
Writer Denounces U.S. Role in Torture Training (Procopio S. Beltran; ANG PAHAYAGANG MALAYA, 11 Oct 84)...	84
Bank, Finance Firm Employees Protest IMF Impositions (ANG PAHAYAGANG MALAYA, 10 Oct 84).....	86
Ilocos Mayor Confesses NPA Relationship (ANG PAHAYAGANG MALAYA, 12 Oct 84).....	87
Davao Marine Commander Seeks Talks With NPA (THE MINDANAO DAILY MIRROR, 2 Oct 84; PEOPLE'S DAILY FORUM, 3 Oct 84).....	88
'Not All NPAs Are Bad' Call To Work Together, by Leo Villareal	

Further Reportage on Flight of Davao Officials to U.S. (PEOPLE'S DAILY FORUM, 2, 5 Oct 84).....	90
Mayor's Denial; Media Figures Flee Journalist Defends Story, by Leo Villareal	
Benigno Aquino's Son Leads 5,000 in Antique March (Desiree Carlos; ANG PAHAYAGANG MALAYA, 9 Oct 84).....	93
Davao Daily Decries Government 'Losing Touch' With Governed (Editorial; THE MINDANAO DAILY MIRROR, 5 Oct 84).....	96
Davao Daily Decries Metrodiscom 'Invitation' on Articles (Roger Flaviano; PEOPLE'S DAILY FORUM, 5 Oct 84).....	97
Unabated Exodus to U.S. 'Cause for Worry' (Editorial; PEOPLE'S DAILY FORUM, 4 Oct 84).....	98
Rebel Powerline Sabotage Lays off 1,000 Mine Workers (PEOPLE'S DAILY FORUM, 4 Oct 84).....	100
Davao Mayor Seeks Hazard Pay for City Employees (PEOPLE'S DAILY FORUM, 4 Oct 84).....	101
KBL Assemblyman Seeks PC/INP Abolition (PEOPLE'S DAILY FORUM, 4 Oct 84).....	102
NPA Executes Davao Ex-Convict in Justice Example (Dodong Solis; PEOPLE'S DAILY FORUM, 3 Oct 84).....	103
Marines Raid Davao Rebel Den (Baby Castillo; PEOPLE'S DAILY FORUM, 3 Oct 84).....	104
3,000 Protestors Picket PC Barracks (PEOPLE'S DAILY FORUM, 2 Oct 84).....	105

SINGAPORE

Nepotism No Factor in Nominating Lee Kuan Yew's Son (THE BORNEO POST, 24 Sep 84).....	106
Indonesia May Resume Oil Processing in Singapore (BUSINESS TIMES, 3 Oct 84).....	107

VIETNAM

INTERNATIONAL RELATIONS, TRADE AND AID

NHAN DAN Demands Thai Troops Withdrawal From Laos (VNA, 29 Oct 84).....	108
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'Unstable' Thai Political Situation Viewed (Hanoi Domestic Service, 23 Oct 84).....	109
Party Greet's Syrian Communists' 60th Anniversary (VNA, 27 Oct 84).....	111
Briefs	
Congoles'e Delegation Arrives	112
Lebanese CP Greeted	112
Message to Ethiopia	112
Delegation to Algerian Celebration	112
Congoles'e Delegation Concludes Visit	113
Do Muoi Receives Guinean Envoy	113
AAPSO Committee Meets	113
AAPSO Support for ANC	113
Truong Chinh Greet's Austria	113
ECONOMIC PLANNING, TRADE AND FINANCE	
NHAN DAN on Technical Services for Districts (Editorial; Hanoi Domestic Service, 25 Oct 84).....	114
AGRICULTURE	
Briefs	
Ho Chi Minh City Milk Production	117
Nghia Binh Marine Exports	117
HEALTH, EDUCATION AND WELFARE	
Briefs	
Youth Defense Obligations	118

SRV'S NGUYEN CO THACH'S MOVES TERMED 'PUZZLING'

BK260736 Jakarta THE INDONESIA TIMES in English 16 Oct 84 ppl, 7

[Editorial: "Nguyen Co Thach's Puzzling Diplomacy"]

[Text] Vietnamese Foreign Minister Nguyen Co Thach floated about one month ago an idea that Vietnam was ready for talks with ASEAN without any pre-conditions and a hint that it might eventually accept a third party mediation and "supervisory commission" drawn from neutral countries. The ASEAN foreign ministers reacted to this idea cautiously, till they could get first hand information directly from Foreign Minister Nguyen Co Thach himself during their meetings at the United Nations General Assembly session. Meanwhile, Nguyen Co Thach floated the idea of having 15 nations conference to settle the Kampuchean question. (Obviously three Indochinese states, five ASEAN states, five permanent members of the United Nations Security Council and India, Editor). But he reiterated in the United Nations that any way the question would solve itself within five to ten years when the Heng Samrin regime at Phnom Penh would be able to defend itself against outside interference, and the Vietnamese troops would be withdrawn.

Nguyen Co Thach did meet with the ASEAN foreign ministers at the United Nations General Assembly session and gave his own impression that he saw "favourable" indications for talks and that the discussions could be underway within the next few months.

But the ASEAN foreign ministers did not have such an impression. On the contrary the Malaysian foreign minister who is the incumbent chairman of the ASEAN Standing Committee, stated on his return from the United Nations that he did not find anything new in Nguyen Co Thach's ideas and that Hanoi was serious in starting talks with ASEAN. Indonesian Foreign Minister Mikhtar Kusumaatmaja himself met with Nguyen Co Thach and found Nguyen Co Thach had no new proposal.

Nguyen Co Thach's diplomacy is really puzzling. He tends to speak much and pretends to have ideas. But when pressed to reduce his ideas into concrete terms the ASEAN foreign ministers find that there is actually nothing new in his ideas.

But one thing he was able to convey implicitly and that was that Vietnam will continue to support, train and equip the Heng Samrin regime till it is able to look after itself before the Vietnamese troops are withdrawn. And this will take five to ten years.

But this will not solve the problem because in the absence of a political settlement, in spite of the withdrawal of the Vietnamese troops, the Prince Sihanouk coalition government will continue to exercise military pressure on the Heng Samrin regime, and probably with the support of the PRC, the Khmer Rouge and the Pol Pot clique will increase their military operations on the regime. This will mean escalation of military clashes along the Thai border which will involve ASEAN more and more in the military aspect of the Kampuchean question than in its political aspect. This trend has the potentiality of bringing into Southeast Asia more interference from the big and superpowers which will certainly jeopardize ASEAN's aim of ZOPFAN [Zone of Peace, Freedom and Neutrality].

Therefore the ASEAN countries should not give up. If there is nothing new in Nguyen Co Thach's idea we should not wait with folded hands but try to create a congenial climate to open dialogue with Vietnam. Indonesia has been given this special task. We should prove our sagacity and sourcefulness.

ASEAN senior officials are meeting at the end of this month in Kuala Lumpur. They should use this opportunity to find all the possibilities to initiate talks with Vietnam.

CSO: 4200/107

MINISTER SPEAKS ON TRANSMIGRATION PROGRAM

00261340 Jakarta THE INDONESIA TIMES in English 16 Oct 84 pp 1, 7

[Excerpts] The transmigration program in Indonesia has attracted attention, both nationally and internationally, Minister of Transmigration Martono said here yesterday.

Speaking before participants of the first meeting of the "Transmigration Consultation Forum," Minister Martono said that the program has caused political impact on the development of the country which tries to live in peace with other countries in the world.

In fact, the Indonesian transmigration program is the biggest in the world and has got greater attention. In his speech before the parliament, President Suharto said that the program is without parallel in the world. Due to such condition, Martono said, the program has attracted greater attention from the world which caused various impacts. He said further that previously the attention of the program was focused on the national development, but now becomes part of the world attention in the national effort to build a new society.

"Based on both theory and practice for years, many national and international problems can be solved through the transmigration program," he said. Going into detail, he said that the population problem has become a big question on which Indonesia is trying to solve so that it will not become a burden to the developing nation, but becomes a tool to build the state.

Minister Martono said that beside the family planning program, the transmigration is a tool to solve the population problem, and to spread manpower which is needed to assist the regional development. Based on this fact, he added, the manpower of the program, particularly those who are from the agricultural sector, has assisted the increase of the national food production.

Based on the existing regulations, the transmigration program has a wider scope of target. The executors consist of both the government and non-government officials.

The role of non-governmental institutions in the program was made since the planning till the development of the program. They are entrepreneurs, contractors and consultants. Martono also underlined the important role of the mass media in making public opinion concerning the image of the program which will smooth its implementation.

In the Fourth Five-Year Development Plan (Pelita IV), besides to resettle more 750,000 families, the ministry will also endeavor to increase the programs by applying seven patterns, i.e. transmigration settlement based on food crop farming, estate farming, animal husbandry, fisher and fish-pond farming, manufacturing industry, mining, security system and agroforestry industry.

So far, Minister Martono added, only the food crop farming pattern which [as published] has been successful, because the resettled people are generally farmers.

He added that all the seven patterns will be applied and developed by adjusting them with the condition and potential of the region which will be opened for transmigration settlements.

The "Transmigration Consultative Forum" comprises scientific societies from various universities, members of the Coordinating Board or the Implementation of the Transmigration Program (Bakoptrans) and senior officials of the Transmigration Ministry.

CSO: 4200/107

TAX HOLIDAY RESUMPTION, SIMPLER INVESTMENT PROCEDURES PROPOSED

Jakarta SINAR HARAPAN in Indonesian 29 Aug 84 pp 1, 12

[Article: "To Attract New Investors: Make Investment Legalization Procedures Less Complicated and Resume the 'Tax Holiday'"]

[Text] Jakarta, 29 August--To restore the investment climate and provide incentives to new investors, the government's procedures for authorizing capital investment should be made less complicated and the "tax holiday" should be resumed. Sukamdani S. Gitosardjono, general chairman of the Indonesian KADIN [Chamber of Commerce and Industry] offered these recommendations when contacted in Jakarta on Tuesday afternoon [28 August].

"If the government wants to offer investors legalization facilities for their investment, it should make them directly applicable to such investment and not link them to KEPPRES [presidential decree] No 26 of 1984 or time deposit procedures," Sukamdani said, referring to the clarification of Drs Radius Prawiro, finance minister, of Monday [27 August], in which he tied taxation to capital investment.

KEPPRES No 26 of 1984 complements Taxation Laws No 6, 7 and 8 of 1983 and contains decisions on the forgiveness of taxes owed for 1983 and earlier years. According to decisions contained Government Regulation No 37 of 1983 and KEPPRES No 68 of 1983, time and other savings deposits are not subject to fiscal examination.

The KADIN general chairman admitted that these decisions had provided for investment facilities. "However, if the goal is to stimulate investment, these facilities should be offered directly. By doing this, investors will really feel secure," he said.

Psychological Incentive

Regarding the tax holiday, which was eliminated when the new tax system went into effect, Sukamdani said it should be resumed to provide a psychological incentive to potential investors.

The tax holiday, which exempted investors from paying a capitulation tax for 3 or 4 years, actually has rarely benefited investors, especially large-scale

investors, keeping in mind that during the period the tax holiday was in effect, companies had not yet earned any profit.

"Therefore, resumption of the tax holiday could not reduce government receipts to any appreciable extent and would provide a psychological incentive to new investors."

According to the KADIN general chairman, another policy that the government should try out to support investment is to exempt investors from buying tax stamps. "While the number of tax stamps investors must buy, of course, is small, only 1 per mil of capital invested, this would offer an incentive to investors."

Offering more astute reasons for the proposals he made, Sukamdani said capital investment played a significant and strategic role in making a success of development. Without investment, it would be difficult to achieve our target of a 5 percent annual economic growth rate during PELITA IV [Fourth 5-Year Economic Development Plan].

Further, there are advantages to be gained from investment and at the same time it provides a way out for our development problems. For instance, employment of our labor force revolves around the volume of production and, most important, every investment means we obtain an additional national "asset."

"Therefore, the government must really provide incentives for investment in the sense of making things as easy as possible for investors," the KADIN general chairman said.

Government Is Sensitive

In regard to Finance Minister Radius's clarification, Sukamdani said, "It is all right and indicates that the government is sensitive to the grievances of the business world."

However, most gratifying is the statement made by Engr Suhartoyo, the BKPM [Capital Investment Coordinating Board] chairman (who accompanied the finance minister when he presented his clarification at the Bina Graha [President's Office]), to the effect that his side will immediately get his personnel under control and will try to simplify investment procedures.

"KADIN supports Engr Suhartoyo's statement, and KADIN will recommend that its members take advantage of the improved investment climate," he said.

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CSO: 4213/10

OCEAN SHIPPING PROBLEMS, NEED FOR NEW STRATEGY CITED

Jakarta SINAR HARAPAN in Indonesian 29 Aug 84 pp 1, 12

[Article: "Exports to Japan Must Be Increased; Ocean Shipping 'Critical'"]

[Text] Jakarta, 29 August--One could say that the situation for Indonesian ocean shipping companies at this time is "critical," complained Boedihardjo Sastrohadiwirjo, general chairman of INSA (Indonesian Commercial Shipping Association), on Tuesday afternoon [28 August] in Jakarta.

In an interview with SINAR HARAPAN at his office, the INSA general chairman, who is also president director of PT Trikoru Lloyd, pointed out that since the recession struck the world economy in 1982 and with the various forms of protectionism levied against certain types of imports by a number of advanced nations, competition between domestic and foreign shipping companies has increased sharply. Another disturbing factor is the daily decline in cargo to be shipped to world markets.

Oil is still being shipped but far fewer other commodities are being transported, Boedihardjo said without providing any details on how large a drop has occurred in cargo to be shipped.

At the same time, he noted the tonnage of commodities shipped in commercial vessels on the Indonesian-Japanese route for the past 2 years. In 1982, Indonesian and foreign ships transported 440,000 tons of commodities monthly, from the Sakwa nation. However, in August of this year, tonnage transported from that country dropped to only 170,000.

It is hard to determine why this drop in tonnage occurred and also how long it will continue to drop.

Cooperation Needed

Not only has this happened, but Indonesian ships headed for Japan generally leave Indonesia without cargo, in other words, empty. Because of the lack of cargo, Boedihardjo feels it would be good if the government, exporters, and ocean shippers cooperated. With such cooperation, he expected that Indonesian ships leaving for overseas ports would benefit from carrying any type of export item.

"I believe ship owners would be happy to do this. Rates could be negotiated. Rather than sailing off with an empty ship and losing money, we would gain by carrying cargo at moderate rates. Another advantage would be that we would be helping to increase exports," the INSA general chairman remarked.

This leading figure in the shipping field indirectly stressed that such co-operation would also eliminate attempts in shipping company circles to "to eat each other up" or "kill each other off."

Competition is especially keen for sailings to Japan. Boedihardjo feels that now actually is the right time for Indonesia to increase exports of all kinds to that country. "Definitely, even the hay we export there would do," he said optimistically.

Because, he said, the Japanese people are not like the Japanese of 10 years ago. After achieving a high level of economic growth, the Japanese no longer adhered to any trade philosophy but only wanted to use domestically-produced goods! They felt that using foreign-made goods was a form of "treason." However, the situation is different now. The Japanese now are proud to be able to use goods made abroad, imported goods.

"Revolution"

Touching on the future of commercial shipping companies, Boedihardjo pointed out that a "revolution" in shipping is forecast for a few years hence. If a "revolution" occurred in the 1970's for shipping oil (in "tankers"), in the 1980's a "revolution" is forecast for the use of "container" ships. This revolution or change definitely will have an effect on commercial shipping.

This change is closely related to competition and efficiency. A little while ago, the United States, for instance, Boedihardjo said, was not interested in the ship transportation sector, but more recently it began to enter this field using a long-term strategy.

Reportedly, this giant nation has made 4,000 TEU (20 equivalent unit) container ships. Today the biggest container ships range between 200 and 300 TEU.

Boedihardjo judged that what the United States has done in fact is little different from its strategy of the 1970's when it suddenly produced 500,000-ton tankers when the shipping world only knew of 20,000-ton tankers.

"These changes clearly will have an effect on shipping and we definitely must adapt to this," he said.

According to INSA data, Indonesia now has 3 full-container ships, respectively, the "Jayakarta," the "Majapahit," and the "Gowa," the largest, a 1,152-ton ship. These three container ships have been in operation since 1982. In addition, Indonesia has three semi-container ships, the "Mataram," the "Palembang," and the "Sirwidjaja."

6804

CSO: 4213/10

HASYIM LATIEF DISCUSSES PPP-NU RELATIONS

Surabaya SURABAYA POST in Indonesian 29 Aug 84 pp 1, 12

[Article: "Hasyim Latief Says NU-PPP Organizational Relationship No Longer Exists"]

[Text] Surabaya—The first PPP [Development Unity Party] Congress announced that PPP membership was by nature a separate matter. Therefore, an organizational relationship between PPP and NU [Muslim Scholars Party] no longer existed. This view was offered by KH [honorable pilgrim] Hasyim Latief, chairman of the East Java NU DPW [regional executive committee] and coordinating chairman of the East Java PPP DPW, when contacted Wednesday morning [29 August] at his home on Wonocolo VI Sepanjang Street.

Nevertheless, the NU PB [executive board] is expected to issue a statement that can be used as a guide by NU regional boards, branches, and members throughout Indonesia.

To this end, Hasyim said, the NU PB in the near future will hold meetings to discuss the results of the PPP Congresses and prepare recommendations for the coming NU Congress. "Perhaps what is accomplished in board meetings will be issued as statements on relations between the NU and the PPP," Hasyim remarked.

According to Hasyim, KH Masykur, second chairman of the NU PB Advisory Committee, has a role to play in this matter. He has been assigned to contact a number of ministers, PPP DPP [central executive committee] members, and the NU ulema before the next NU PB meeting is held.

"perhaps the statement may not be issued in the near future," he remarked regarding the NU statement on how much participation the NU can offer PPP.

"A final abridged statement will be prepared at the NU Congress, which, God willing, will be held in December," continued Hasyim on the regulation concerning NU and PPP relations.

Hasyim reminded his listeners that since the NU national conference held in December in Situbondo, NU no longer recognizes that its desires may be submitted through one channel only. NU now can submit what it desires directly or through various means such as the Indonesian Ulema Council or other more

appropriate channels. "We need not submit what we desire through the PPP only," Hasyim stated firmly.

Also regarding NU membership, NU members need not become PPP members because PPP membership is a separate matter. Another problem exists in regard to the 1987 general election. The NU will perhaps have its own ideas and will offer guidance to its membership. Recently every NU member has been free to make his own choice regarding a candidate in an election. "As board members we can only offer guidance while how a member votes is completely secret," Hasyim remarked.

PPP DPW

The East Java PPP DPW, Hasyim said, will be discussed by HM Munasir with the PPP DPP general chairman and the day-to-day leadership. "I feel matters taken up at the congress should be discussed further in regional conferences so that all problems can be settled once and for all," Hasyim remarked.

Under the new PPP statutes and by-laws, regional boards are elected by the branch leadership and the branch leadership is elected by the commissioners.

However, until the regional conferences are held, the holding of which will be regulated jointly by the central and regional offices, Hasyim said, the current composition of the board remains in effect. The board composition remains the same, namely, those now on the board headed by Hasyim, will remain in office.

As for the East Java NU region, it will hold an installation ceremony on Wednesday evening for the new board members elected at the conference held in Genggong Probolinggo last month. On this occasion also, Hasyim Latief will explain various matters regarding the first PPP Congress to forestall any questions that might arise in East Java NU branches. "Many branches asked for clarification because they admitted that misunderstandings had arisen about the results of the PPP Congress, Hasyim Latief said.

6804

CSO: 4213/10

BRIEFS

PANCASILA-RELIGION DEBATE--Pancasila should not be contrasted with religion because they do not contradict each other. The commander of the Indonesian Armed Forces and the Security and Order Restoration Command, General L.B. Murdani, said this at a meeting with members of the Regional Council of Authorities, Muslim scholars, spiritual leaders, and local community leaders at the official residence of the Maluku governor in Ambon on Sunday afternoon. "The Republic of Indonesia, which is based on Pancasila, guarantees religious life to develop normally and interreligious harmony based on peaceful co-existence and mutual respect," the armed forces commander said. He is visiting Ambon to attend the opening of the 10th grand session of the Indonesian Council of Churches. The armed forces commander said further that the Indonesian people were fed up with upheavals under various pretexts, including the religious pretext, which had discredited, affected, and retarded religious life. "We do not want such conditions. A calm and orderly situation can be maintained thanks to public support," L.B. Murdani added. The calm and orderly situation must be maintained not only by the government but also by all national forces together with all Indonesia people. Also present on the occasion were Religious Affairs Minister Munawir Syadzali and Information Minister Harmoko, both of whom also gave speeches. [Excerpt] [Jakarta MERDEKA in Indonesian 23 Oct 84 pp 1, 12 BK]

BRUNEI INTEREST IN NATIONAL EDUCATION--Brunei Darussalam is highly interested in Indonesia's efforts to reduce Western influence and the narcotic threat. Education and Culture Minister Nugroho Notosutanto said this to newsmen in Jakarta today after his talks with Brunei Darussalam Minister of Culture, Youth, and Sports Prince Jefry Bolkiah and Education and Health Minister Awang Haji Abdul Aziz. According to Nugroho Notosutanto, during the talks Brunei expressed the desire to explore the possibility of sending its undergraduate students to Indonesia for further studies, while Indonesia is expected to provide teachers for that country. The Brunei Darussalam education and health minister also paid great attention to religious education in Indonesia as it is being carried out by the State Institute of Islamic Studies, especially after he learned about the great number of Malaysian students studying at the institute. [Text] [Jakarta Domestic Service in Indonesian 1500 GMT 23 Oct 84 BK]

POSSIBLE OPEC PRICE CUT--SUARA KARYA writes that if OPEC had no alternative but to follow the price cut, this would have no impact on the state budget. The daily is of the opinion that the price cut is only a freeze of the oil price in the value of rupiah, which is the basis of formulating the state budget. SUARA KARYA calls for OPEC's understanding so that the forthcoming special session scheduled for 29 October can find a way out to avoid [words indistinct] the oil price cut. According to SINAR HARAPAN, OPEC is facing another test--a test on how to maintain its position in the increasingly sluggish world market and on whether it will maintain a flexible stand on the price and production level. SINAR HARAPAN predicts that the 29 October session in Geneva is unlikely to reach a consensus. In this regard, SINAR HARAPAN recommends that Indonesia's current position in OPEC must clearly reflect the interests of members with a large population and a relatively low oil production level. It also suggests that Indonesia should be more active in contacting other oil-producing countries in Asia in order that, in the next 15 years or so, Indonesia's oil will avoid a guerrilla price war in its traditional and export markets. The time has come for Indonesia to adopt a different oil policy while continuing to maintain OPEC's oil policy. [Text] [Jakarta Domestic Service in Indonesian 2300 GMT 23 Oct 84 BK]

HOUSE URGED TO DISCUSS ELECTIONS--The government has proposed that a draft bill on general elections be immediately discussed in a deep, detailed, wise, and responsible manner. The proposal was made by the home affairs minister during a working meeting with the Parliamentary Special Committee V on political draft bills presided over by its chairman, Suhardiman, at parliament building, Jakarta, today. He said that the government had serious interest in and welcomed parliament's determination to conclude its discussion on the draft bill on general elections in the not too distant future. Meanwhile, Suhardiman said that political structuring and development would be carried out democratically and constitutionally through discussions and conclusion by people's representatives and the government in parliament. Suhardiman considered the discussion on the draft bill on general elections as very important because it must also formulate terms reflecting and detailing national consensus reached by the 1983 general session of the People's Consultative Assembly on Pancasila as the sole ideology. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 24 Oct 84 BK]

BRUNEI SULTAN TO YOGYAKARTA--Brunei Darussalam head of state Sultan Hassanal Bolkiah and his consort and entourage arrived at Adisucipto airport, Yogyakarta, this morning on their visit to Indonesia as state guests. From Yogyakarta, accompanied by the commander of the 2d defense territorial command, the Brunei sultan paid a visit to the Indonesian Armed Forces Academy in Magelang. Sultan Hassanal Bolkiah and his consort and entourage left Halim Perdanakusumah international airport in Jakarta for Yogyakarta this morning at 0945 West Indonesia Time for a 2-day visit. At the Jakarta Halim Perdanakusumah airport this morning, the state guests were given a state ceremonial send off by President and Mrs Suharto, an Indonesian Armed Forces parade, and a 21-gun salute. The ceremony was attended by Vice President and Mrs Umar Wirahadikusumah. Earlier, accompanied by President and Mrs Suharto, Sultan Hassanal Bolkiah and his consort walked along the red carpet to the ceremonial stand to shake hands with Development IV cabinet ministers,

military and government officials, members of the diplomatic corps, Brunei Darussalam Embassy staff, and members of the Brunei community in Jakarta. In Yogyakarta, the guests from Brunei Darussalam are scheduled to attend a dinner hosted by Sultan Hamengkubuwono IX and visit the Borobudur and Prambanan temples. [Excerpts] [Jakarta Domestic Service in Indonesian 0700 GMT 24 Oct 84 BK]

PDI WARNED OF COMMUNISTS, RIGHTISTS--The Central Executive Council of the Indonesian Democratic Party [DPP-PDI] has instructed all party members throughout Indonesia to enhance vigilance against the latent danger posed by elements of the 30 September Movement of the Indonesian Communist Party and rightist extremists. In a statement signed by its general chairman, Sunawar Sukowati; and its secretary general, Sabam Sirait, in Jakarta today, the DPP-PDI also instructed party members to consolidate unity and integrity. In addition, they are instructed to promote cooperation with regional administrations and the Indonesian Armed Forces. The DPP-PDI instructed members to settle party affairs in party forums in accordance with the party's organizational mechanism. The DPP-PDI statement was issued in Jakarta today at a new conference. [Text] [Jakarta Domestic Service in Indonesian 1200 GMT 25 Oct 84 BK]

MURDANI ON PRIOK RIOT--During a meeting with members of the Central Executive Council of the Indonesian Council of Mosques yesterday, the commander of the Indonesian Armed Forces and the Security and Order Restoration Command, General L.B. Murdani, reiterated that the 12 September Tanjungpriok Riot was not a religious affair. The armed forces commander said that the issues raised by certain rioters were aimed at breaking national unity and integrity. On this occasion, the general chairman of the Central Executive Council of the Indonesian Council of Mosques, Burhani Cokrohandoko, reported the outcome of the recent congress of the Indonesian Council of Mosques that had unanimously accepted Pancasila as the sole ideology for social and political organizations in Indonesia. [Text] [Jakarta Domestic Service in Indonesian 2300 GMT 26 Oct 84 BK]

MOKHTAR ON RETURN OF HONG KONG--Indonesia considers the return of Hong Kong to the PRC to be of little worry to the Asian-Pacific countries. The remark was made by Foreign Minister Mokhtar Kusumaatmaja before youth delegates from 21 Asian-Pacific countries in Jakarta yesterday. Minister Mokhtar said that the return of Hong Kong was not as dramatic as expected because the PRC has already practiced an open-door economic policy and trade system. Moreover, Hong Kong is not the only place or city that plays an important economic role for the PRC as the country has other cities that are free-trade centers such as Shanghai and Guangzhou. Foreign Minister Mokhtar Kusumaatmaja believes that the settlement of the Hong Kong issue is a good one as several places in the PRC have undergone changes as a result of the open-door economic policy. Under the Sino-British agreement, Hong Kong will become a special administrative territory of the PRC as of 1 July 1997. [Text] [Jakarta Domestic Service in Indonesian 0000 GMT 27 Oct 84 BK]

DGI SUPPORTS PANCASILA--Jakarta, 31 August--The Indonesian Council of Churches (DGI) Full Employment Agency (BPL) said, "It has and will continue to participate fully in ensuring the continuation of Pancasila, national stability, and national development as an implementation of Pancasila and acknowledges as well that Pancasila is the sole principle to be applied by all mass organizations (ORMAS) in community, class, and national life." This statement was included in a DGI BPL concept for the mass organizations bill and was distributed at the end of its meeting held in Dhyana Pura, Bali, on 29 August 1984. [Excerpt] [Jakarta SINAR HARAPAN in Indonesian 31 Aug 84 p 1] 6804

CSO: 4213/10

'TALK' DISCUSSES ATHIT PERSONAL WEALTH, POWER

Vientiane VIENTIANE MAI in Lao 21 Sep 84 p 3

["Talking Together" Column by S Sihathep: "Mr Athit Kamlang-ek's Term 'Protecting Democracy' "]

[Text] Since the Thai ultrarightist reactionaries sent their troops in to illegally occupy the three Lao villages of Ban Kang, Ban Savang, and Ban Mai on 6 June 1984 there have been discussions of Gen Athit Kamlang-ek's behavior in public places and coffee houses. Even children 4 to 5 years old know that Gen Athit Kamlang-ek is the leader of the Thai ultrarightist reactionaries. His name has become well-known because he has been the cause of tension on the Lao-Thai and Thai-Kampuchean borders because of the lessons he learned from the Beijing expansionists and hegemonists. The general wants to be well-known. His picture appears in newspapers and on TV every day for the purpose of [obtaining] Thai public support, to see whether [the public] will support or hate him [on seeing his self-praise] and his ambition to become the supreme power in Thailand. This is why he blindly bows his head to serve the Beijing expansionists and hegemonists, creating unrest on the Lao-Thai and Kampuchean-Thai border in exchange for power for himself. When Mr Athit Kamlang-ek was asked by reporters for many Thai newspapers about his desire for the post of [prime minister], the general showed his anger impolitely and immorally in a manner unfit for a general. However, by looking at his activities they all can guess immediately that he has been praying for the position of prime minister! Thus, he has to go everywhere, and wherever he goes he performs acts, e.g., planting memorial trees [to extend his influence], no matter whether it is a big or small ceremony or event, including different seminars. And even though they have no relation at all with the general he will always show his face and talk [to people] as if he is the only one who is concerned and responsible for the destiny of Thailand. His performances are the same as those of his teacher Mao Zedong while Mao was in power in China. However, Gen Athit Kamlang-ek's acting program is for the purpose of advancing him to supreme power as a dictator in Thailand and to create wealth just for [certain] families and minority groups. The Thai military power-holding clique led by Athit Kamlang-ek has been mobilizing the Thai people into a bellicose atmosphere, creating scenes so that the people will be frightened by communism, mobilizing the people to resist communism and maintain democracy, increasing the defense budget, speeding-up the purchase of new modern weapons,

carrying out military maneuvers, creating tensions, challenging and provoking the three nations in Indochina, and then accusing them of threatening the peace and happiness of the Thai people. Athit Kamlang-ek is often in the habit of saying, "Protect democracy for the sake of the peace and security of the country." If anyone hears his deceptive words, without careful thought he would agree with Mr Athit. However, those who are moral will use their own wisdom to carefully study these words. Then they will realize immediately that Athit's claims are deceptive. Let us ask Mr. Athit what the words "peace and happiness of the nation" mean [when he] creates war with neighboring countries, suspicion, revenge, and quarreling with each other, tensions along the borders with neighboring countries, supporting, assisting, feeding, training and providing places for the reactionary exiles, and sending robbers in to sabotage the peace and happiness of our country. We as a moral people should realize that if Thailand were to carry out its own independent policy [in actual fact] without serving any schemes of other countries or intervening in the domestic affairs of other countries, and have good relations and live peacefully with all nations, it is certain that Thailand would be at peace and would feel free to construct its economy and to bring a good living to the people. All the Thai people have this wish, but Mr Athit Kamlang-ek looks at the matter in a different way. We can almost say that people all over the world have been opposing the arms race of the American imperialists and demanding the reduction and eradication of nuclear weapons and military budgets in order to put money into economic construction and assisting the poor in order to raise the standard of living of the people so that all will have adequate food and clothing. This is the path to peace and happiness. It is only the American imperialists, the Beijing expansionists and hegemonists, and General Athit Kamlang-ek who say that the defense budget must be increased to create tension and war all over the world in order to ensure peace and tranquility and to maintain democracy. Only war-thirsty groups, the military industrial capitalists, who seek profits in weapons trade, will agree with this. Those who have brains to carefully think will see the true nature and deceptive scheme of Athit Kamlang-ek who promotes "protecting democracy" for his own advantage. Does not everyone know what Thai society is like today? We would like to ask Mr Athit Kamlang-ek about the millions of Thais who are illiterate and the millions of people who are unemployed. Thai society is evil; girls are lured into becoming an export commodity which is in the news every day. Many poor people are begging for a living. Do not these people want to lead a good life, drive a nice car, go to fancy restaurants, and have a lot of money to spend and also to put into banks abroad like Mr Athit Kamlang-ek? Then what kind of democracy will Mr Athit Kamlang-ek bring to them? If there is a war the children of the people will be lured into becoming targets for bullets in order to die for him. Then he will scoop up the money and gold into his own bags without knowing how much is enough, and he will also call himself a brave man.

Athit Kamlang-ek never democratically tells the Thai people how many private houses he owns or how many shares he has in capitalist companies. How many millions of dollars does he have in banks abroad and how many millions of dollars does he receive as commissions from American capitalists

from the orders for new types of weapons? If any news reporter were to mistakenly ask him for the truth in an interview he would surely be accused of being a communist who is dangerous for the country, and most certainly would be punished. We can see that "protecting democracy" according to Mr Athit Kamlang-ek is a deception by which he covers up his true nature and exploits the Thai working class.

9884

CSO: 4206/13

COLUMNIST DISCUSSES THAI POLITICAL SITUATION

Vientiane VIENTIANE MAI in Lao 25 Sep 84 pp 3, 4

["Talking Together" Column by S Thipthiangchan: "Thai Politics Today"]

[Text] Many classes of people in Thailand have criticized politics there nowadays by saying that Thai democracy is a fake, it is a [worn-out] democracy, etc. Recalling these words and also what we have already discussed about democratic rule in Thailand being a dictatorial system of total power and warlords, let us review politics in Thailand over the past 50 years. We will see what troubles they had because in over only 30 years there were 45 administrations holding power in Thailand of which 24 were military dictatorships and 21 were civilian governments. The shortest civilian government lasted only 27 days. There was also a government that lasted a month, etc. When a civilian government held power it was usually overthrown by the military. The same goes for the present time with Thailand controlled by a military dictatorship. There is no sign that the government will change to civilian hands.

Thailand is a developing country. Capitalists monopolize the domestic economy. Foreign capitalists invest and control large industrial factories. The warlords holding power all have shares in almost all of the factories and all other businesses. The influence of foreign capitalists has also spread into the agricultural area. For example, even though the government has guaranteed the price of rice, instead of this being an advantage for farmers it is advantageous for the capitalists who take advantage of the situation by keeping the wholesale price for farmers [low]. The farmers who are the direct producers receive a low price which does not cover their production costs. It has been said that Thailand is an agricultural country and that it is a land of abundance, yet there are Thai people who are starving. According to statistics of the Food and Agriculture Organization, in Thailand today six people die of starvation every hour. Besides starvation the Thai people also are faced with unemployment, inflation, and social problems, e.g., murder, robbery, illegal gambling, homelessness, lack of clothing, beggars, illiterates, etc. These are all burdensome problems of the people which no government is able to solve. The northeast has the densest population; there the people do not have the right to be their own masters. They are also faced with recurring disasters, for example, natural disasters such as floods, etc. For example, in Loey Province people die

from the cold weather each year because they lack clothing. The people in this area work the hardest, but what they get in return is not worth their effort. For example, a family which engages in production does not have an income of more than 10,000 baht per year on the average. The farmers also have to purchase rice for their own consumption because they do not have any land and when they grow rice they have to rent the land, etc.

Today the Thai people are still under the dark curtain of a ruling military dictatorship. Military groups have power above the law.

The Thai people are worried about the fate of their own nation because of the military group and the delegation of the military dictatorship, namely Gen Athit Kamlang-ek, who allows himself to serve foreign interests. In the past as well as now Athit Kamlang-ek has been involved with and has served the Beijing expansionists and hegemonists. Upon command from Beijing Athit Kamlang-ek has used military forces for provocation along the Thai-Kampuchean border, and has encroached upon and occupied the three Lao Villages in Paklai District, Sayaboury Province, since 6 June 1984. Athit Kamlang-ek is assigning his own men to power in the inner circles of the government and military administration. For example, there was a great military arrangement in recent months, [including] the extension of his own retirement, a budget increase for military equipment, etc. He is hoping for the highest position, that of prime minister, and he has been longing for it for a long time.

[Because of] the influence and illegal power of the military group that controls the government's ruling circles, now people of different classes and all the Thai people are seriously concerned about the fate of their own country. The problems of a poor economy and unemployment have not been solved. Much of the national budget was siphoned off by the military reactionary group on things called [military] forces improvement and purchases for national defense, social dangers, [aligning] themselves in order to fight for official rank, etc. This has spread throughout the leading circles of the reactionary power-holders. These are all problems that worry the people and also the upper Thai social classes. They can only see the problems and how they have no right to oppose the dictatorial military system led today by Athit Kamlang-ek.

9884

CSO: 4206/13

BRIEFS

VIENTIANE-HANOI INDUSTRY AGREEMENT--On the afternoon of 25 September 1984 in the Vientiane Capital Planning Commission office there was an official signing ceremony on handicrafts and handicraft expansion between Vientiane and Hanoi Capitals. Representing the Lao side was Mr Khamdeng Thepsimeuang, chief of the industry and forestry section in Vientiane Capital, and for the Vietnamese side there was Mr Nguyen Dinh Sach, assistant chief of the handicraft federation in Hanoi. Also present were Dr Siho Bannavong, assistant chairman of the Vientiane Capital administrative committee; Mr Sithon Sibounheuang, deputy minister and party committee member of the administrative committee and also chief of the Vientiane Capital Planning Commission; Mr Nguyen Dinh Hiep of the party committee, assistant chairman of the People's Party, and chief of the committee of experts of Hanoi Capital in Vientiane, and a number of other cadres. In the cooperation agreement Hanoi will assist Vientiane Capital in constructing an economic base for handicrafts by organizing a handicraft co-op, small industry for manufacturing and altering wheels and producing lamps, modifying the production of decorative earthenware, producing decorative goods made of wood and rattan for export, organizing pattern-print textile/production, supplying raw materials, distributing manufactured products, etc. that have to do with handicrafts. [The agreement is evidence] of the special solidarity and friendship and all-around fraternal cooperation between the two parties, governments, and peoples of Laos and Vietnam, and also the twin capitals of Vientiane and Hanoi that continues forever strong and fruitful. [Text] [Vientiane VIENTIANE MAI in Lao 21 Sep 84 pp 1, 4] 9884

VIENTIANE DISTRICT POPULATION--Saisettha District, 1 of 7 districts in Vientiane Capital, has 44,359 people of which 22,595 are women. There are 6 cantons and 47 villages. [Excerpt] [Vientiane VIENTIANE MAI in Lao 26 Sep 84 p 3] 9884

AGREEMENT WITH SRV DISTRICT (KPL)--In mid-September there was a memorandum-signing ceremony for the mutual exchange of goods between Nong Hed and Ky Son District, Nghe Tinh Province of the SRV. The goods that will be brought for exchange will be local and forest products. This is to promote the economy of each side to steadily expand so as to keep raising the standard of living of the people of ethnic groups. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 25 Sep 84 p A2] 9884

BOARD TO COORDINATE HANDLING OF ISLAMIC ACTIVITIES

Avoid Policy Conflicts

Kuala Lumpur UTUSAN MALAYSIA in Malay 7 Sep 84 p 2

[Text] The government announced today [6 September] that the Malaysia Joint Board for the Coordination of Islamic Activities has been established in the Division of Religious Affairs, Prime Minister's Department. The board's objective is to coordinate all Islamic activities handled by government ministries and statutory bodies.

Senator Dr Mohd. Yusof Nor, a deputy minister in the Prime Minister's Department, said that another reason for setting up the board was to avoid policy conflicts in the application of Islamic values.

He said that the board will be the highest authority handling the coordination of Islamic activities and that its membership will be composed of all principal secretaries of ministries who are Muslim and of representatives of quasi-governmental institutions, such as the Muslim Pilgrimage Control and Savings Corporation, universities and other agencies to be selected from time to time.

Yusof Nor--who met with reporters at his office following a ceremony in which he accepted a M\$70,000 check from the government of Libya--said that any ministries that do not have Muslim principal secretaries will be represented on the board by Muslim deputies of the principal secretaries.

"This is the largest board that has been established to coordinate all Islamic activities in the country, and the prime minister, Datuk Sri Dr Mahathir Mohamad, has agreed that the board will be controlled by the secretariat of the Division of Religious Affairs in the Prime Minister's Department and that I will chair the board," he said.

Yusof Nor also said that formation of the board constitutes only one of the efforts being made by the Division of Religious Affairs to foster the image of Islam in Malaysia.

He said that the board will supply each ministry with guidelines on the strategy they should follow in explaining to their respective "target groups" the

activities that are being carried out by the government in applying Islamic values in Malaysian society.

He stated that each activity that is to be carried out by the agencies concerned will originate with the board, as this will ensure a lack of conflict.

With the existence of the board, the Division of Religious Affairs will be able to operate in a more uniform manner, particularly in providing the ministries with information on the procedures they should follow to play a more effective role in pursuing the aspirations and applying the values of Islam in Malaysia, he said.

The senator said that to date there has been no special board to synchronize the handling of Islamic activities by ministries and quasi-governmental institutions.

By way of example he noted that the Ministry of Agriculture and the Ministry of Land and Regional Development have separate units to handle these activities, but both units have the same target groups, namely farmers and fishermen.

"With the formation of this board, these units can be coordinated and special directions can be drawn up for them so they can carry out Islamic activities in a more effective and uniform manner," he said.

He said that the board will examine shortcomings in and present its views on the application of Islamic values in society to facilitate the achievement of this objective.

The senator said that Datuk Sri Dr Mahathir Mohamad will officiate at the first meeting of the board and that this meeting is expected to be held no later than the middle of September.

Cooperation Necessary

Kuala Lumpur UTUSAN MALAYSIA in Malay 8 Sep 84 p 8

[Editorial: "Board to Coordinate Islamic Activities"]

[Text] In the effort being carried out to apply Islamic values, most government agencies at the ministry and department level already have formed special religious units. These units have the responsibility of ensuring that government personnel understand the central government's desire to propagate the concepts of Islam.

These units have been set up separately under independent leadership and duplication of effort sometimes occurs, since the units are aimed at similar target groups. But the government has now established the Malaysia Board for the Coordination of Islamic Activities to prevent this situation from getting any worse. The board will act as the coordinator for all Islamic activities being handled by government ministries and statutory bodies.

When announcing the formation of the board yesterday, Senator Dr Yusof Nor, a deputy minister in the Prime Minister's Department, explained that from now on the Division of Religious Affairs in the Prime Minister's Department will be able to operate in a more uniform manner, particularly in providing the ministries with information on the procedures they should follow to play a more effective role in pursuing the aspirations and applying the values of Islam in Malaysia.

We believe that this objective can be achieved, God willing, for the people who will sit on the board are Muslims and senior government officials, either principal secretaries or their deputies. And it is our hope that after the necessary information is provided to the ministries there will no longer be any confusion or conflict in understanding the form of Islamic values that the present leadership wishes to apply.

We also feel that representatives of government departments at the state level, including the departments of religious affairs of the states, should be invited to serve on the new board that has been formed by the Prime Minister's Department. These departments certainly cannot be permitted to operate on their own. At the very least the heads of these departments should be briefed from time to time on the Islamic policy of the central government.

In any case, the success of this project will largely depend on the cooperation of those involved. They must understand the positive values that the present leadership wants to apply and not make an issue of insignificant matters.

5458

CSO: 4213/19

BANK BUMIPUTRA RECORDS HEAVY LOSSES IN FISCAL 1983

First Time Since 1965

Kuala Lumpur UTUSAN MALAYSIA in Malay 21 Sep 84 p 1

[Text] The Bank Bumiputra group has recorded losses of M\$963.7 million before taxes in the fiscal year ending on 31 December 1983. In fiscal 1982 the group had before-tax profits of M\$84.773 million.

According to the bank's latest annual report, losses after the deduction of taxes and minority interests total M\$973.985 million. In the preceding year the group recorded after-tax profits of M\$41.084 million.

Allowing for profits of M\$13.038 million carried forward from the preceding year, the losses carried forward by the Bank Bumiputra group total M\$967.024 million [sic].

Bank Bumiputra itself recorded before-tax losses of M\$969.332 million and after-tax losses of M\$973.587 million. In 1982 it had after-tax profits of M\$40.071 million.

Since the bank carried forward 1982 profits of M\$15.254 million to the last fiscal year, it will carry forward losses of M\$958.333 million to the present fiscal year.

Although these are large losses, the figures are not even mentioned in a statement by Dr Nawawi Mat Awin, the chairman of Bank Bumiputra, that appears in the bank's latest annual report.

Dr Nawawi mentions only the operations carried out by the bank during the past year and the achievements of the bank's subsidiary companies.

There is no explanation of the reason for these heavy losses, although Dr Nawawi does note that there was poor performance on the part of Bumiputra Malaysia Finance, Limited, the Hongkong subsidiary of Bank Bumiputra.

This is the first time that Bank Bumiputra has suffered a loss since it was established in 1965. The bank has now been taken over by Petronas.

Despite these losses, Bank Bumiputra is still the largest bank in Malaysia in terms of the assets it controls.

Bank Bumiputra controlled assets valued at M\$16,142 million and the Bank Bumiputra group controlled assets valued at M\$17,119 million in the fiscal year ending in December 1983.

This is slightly less than the value of the bank's and group's assets in fiscal 1982, which were M\$16,223 million and M\$17,305 million respectively.

Funds of Bank Bumiputra stockholders also declined from M\$620.854 million in 1982 to M\$247.267 million in 1983 for the bank and from M\$643.97 million to M\$269.986 million for the group.

The decrease in the funds of stockholders can be discounted in view of the fact that the amount of paid-in capital increased from M\$476 million in 1982 to M\$1,076 million in 1983.

In any case, according to Dr Nawawi several effective measures recently have been taken to reinforce stockholders' funds.

These include the sale of Bank Bumiputra's equity in Malayan Banking Berhad, which produced a net profit of M\$589 million, and the issuance of 300 million M\$1 shares at par to Petronas, which has become the holding company of Bank Bumiputra.

Dr Nawawi also said that excluding the profits that will be earned in fiscal 1984, stockholders' funds in the bank total M\$1,136.2 million at the present time.

Right to Know

Kuala Lumpur UTUSAN MALAYSIA in Malay 22 Sep 84 p 8

[Editorial: "Bank Bumiputra's Losses"]

[Text] Bank Bumiputra, one of the top financial institutions in the country, has suffered losses for the first time since it was established in 1965. For the fiscal year ending on 31 December 1983 the Bank Bumiputra group recorded losses of M\$963.7 million.

We assumed that these losses existed and that they could not be concealed by the management of the bank because of the affair involving the bank's subsidiary in Hongkong, Bumiputra Malaysia Finance (BMF). More than M\$2 billion has simply disappeared because BMF issued loans which it is unable to call in.

This affair has forced Petronas to buy the stock held by the National Finance Corporation (PNB) in Bank Bumiputra in order to overcome the financial crisis faced by the bank and reinforce its position as the largest bank in Malaysia.

While admitting that profits and losses are commonplace in a business world whose operations are based on the principles of a free economy, it is clear

that Bank Bumiputra will not suffer any losses if the dishonest practices in the issuance of loans by the BMF can be controlled. The sad thing about the Bank Bumiputra case is that the losses occurred because of some sort of misfeasance that has yet to be identified, nor is the identity of the responsible parties known.

Perhaps these questions can be answered by the report that will be submitted by the special committee that was formed by the prime minister to investigate the BMF case.

There are many questions connected with the BMF case that need to be answered, particularly the question of whether there was any illegality in the approval of the loans. The prime minister himself wants the investigating committee to look into this aspect of the case. Dr Nawawi Mat Awin, the executive chairman of Bank Bumiputra, guarantees that the bank will examine this matter and also recommends that the same action be taken by the investigating committee. The committee is chaired by Tan Sri Ahmad Noordin.

The people too would like to know how many loans could be so easily approved by Bank Bumiputra without a control system that would enable the highest officials to know who was responsible for the loans. Or if there is a control system, this case proves that it is ineffective.

The self-respect of all our people is involved in this affair. Perhaps the matter could be considered insignificant if the bank were an ordinary financial institution and the interests of the government were not involved, but when the people's money is concerned then the people have a right to know what happened.

5458

CSO: 4213/20

TAIWAN WANTS TO BUILD PLANTS, INTRODUCE PRODUCTS

Kuala Lumpur BERITA HARIAN in Malay 13 Sep 84 p 16

[Text] Although Taiwan has had a deficit in its trade with Malaysia for the past 3 years, Taiwanese trade officials are not too concerned about this trend.

Trade between Malaysia and Taiwan has steadily increased from \$640 million (M\$1,491 million) in 1981 to \$717.4 million (M\$1,671 million) in 1983, but Taiwan's deficit in the trade also has increased.

Taiwan is not concerned about the imbalance in this trade even though its deficit has risen from \$256.042 million (M\$596.577 million) in 1981 to \$270.048 million (M\$629.211 million) in 1983.

Mr Charles Shyu, the economic director of the Far East Tourism and Trade Center (FETTC), says that the trade deficit is quite small when compared to Taiwan's total world trade, which is valued at \$48 billion (M\$111,840 million). The FETTC is Taiwan's commercial office in Malaysia.

Exhibit

Mr Shyu, speaking at a press conference, said that Taiwan hopes to strengthen its economic and technical cooperation with Malaysia.

He said that Taiwan wants to share its advanced industrial experience with interested countries.

"Taiwan's trade policy emphasizes the principle of joint interest, and, when the transfer of technology also is taken into account, we believe that it is reasonable to assume that it can be carried out without difficulty," he said.

Mr Shyu also said that a 2-day exhibit on Taiwan's plants and factories will be presented in Kuala Lumpur on 17 and 18 September by a trade promotion delegation from Taiwan that is spending 35 days in Malaysia.

The delegation, which is the fourth and largest delegation to visit Malaysia this year, will arrive in Kuala Lumpur on 15 September. Before leaving for Sri Lanka, it will visit Pulau Pinang and present the same exhibit there on 19 and 20 September.

The delegation's objectives are to share Taiwan's industrial experience with Malaysia and to introduce products that have a good potential market here.

Mr Shyu said that the delegation will concentrate on three sectors which are of prime interest in Malaysia, namely, resource based industries, basic support industries needed in the industrial process and engineering groups.

"Our objective is to establish trade relations with businessmen in this country," he said.

The delegation has identified a need for the following types of industries: crop processing plants, food processing plants, mines, and plants that manufacture chemical products, electronic and electrical products, nonmetallic mineral products, construction materials, rubber and plastic products, textiles, transportation equipment, and wood and bamboo products.

Mr Shyu said that these plants are intermediate-size industries and are needed by Malaysia because they are easy to build and will support an import substitution program.

5458

CSO: 4213/19

ARMY FACES FOUR THREATS

Kuala Lumpur UTUSAN MALAYSIA in Malay 13 Sep 84 p 1

[Text] General Tan Sri Ghazali Mohd. Seth, the commander of the Army, today [12 September] listed four principal threats that are being faced by the Army and endanger national security.

These threats are: an armed enemy; communist propaganda claiming that communists are not hostile to Islam; drug abuse; and the use of religion to obtain influence and followers regardless of the effect on the unity and integrity of Muslims.

The general urged the Army's teachers of religion to play a greater role in blocking influences which disrupt the unity of the Army and have an injurious effect on discipline.

Speaking today at the opening of a seminar for the Army's senior religious teachers at the Ministry of Defense, the general said that this role would be difficult to perform unless they recognized ominous symptoms and were conscious of strengths and weaknesses that should be protected.

He said that the threat involving the use of religion was the most dangerous, since the other threats were clear and could be countered.

"Teachers of religion have an excellent opportunity to provide factual explanations of issues that are being propagandized and to prevent servicemen from becoming confused or being intentionally deceived by any side that would like to destroy us," he said.

5458

CSO: 4213/19

EDITORIAL WARNS AGAINST MULLAH RULE

Kuching SARAWAK TRIBUNE in English 3 Sep 84 p 4

[Text]

Several years ago, the Iranian people overthrew the government of the Shah and installed a new government run by the Mullahs or religious leaders. The immediate result was considerable chaos and anarchy as old scores were settled, various cliques jostled for power and the rudiments of the new government were established.

In the years since the overthrow of the Shah, conditions in Iran have barely improved and it could easily be said that, despite any faults he may have had, the Shah was considerably more successful in running Iran than the Mullahs have thus far been.

Not only have they caused considerable internal turmoil within the country but they have embroiled themselves in a bitter and costly war with their neighbouring Islamic country, Iraq.

At the time of the overthrow of the Shah, the victory of the people was described as a victory for Islamic fundamentalism and a return to the pristine purity of Islamic rule of 1400 years ago. Since then, however, it would appear that the new government has no real idea of how to rule in an Islamic manner and, judging by the numerous executions carried out in Iran and the war with Iraq, the ruling Mullahs have on numerous occasions behaved in an extremely un-Islamic manner.

There are, however, many people who fail to see this and who seem to blindly accept that whatever happens to be done by the present Iranian government is faultless and deserving of emulation.

These people, who are to be found in Malay-

sia, seem to believe that it would be an Islamic thing to overthrow the present government of Malaysia and to impose their own personal version of 'Islamic rule' although their ignorance is such that they are seldom able to give a coherent explanation of just what this entails.

To achieve this quixotic aim, these people are spreading anti-government propaganda amongst the ignorant villagers and even, in some cases, urging the people to rise up against the government. In all of their speeches, these people quote — or misquote — passages from the Quran and other holy books to strengthen their arguments. They also preach against the followers of other religions, against people of other races and even go to the extreme of accusing their Muslim opponents of being non-believers.

They are, in short, misguided fanatics who are resorting to religious fanaticism in an attempt to gain power.

These people, fortunately, are small in number and their followers are insignificant. Despite this though, they are a potential source of trouble and need to be dealt with as quickly as possible.

The government is keeping a close watch on the activities of these people and a number of them have been detained under the ISA. There is thus little fear of such people ever gaining a major foothold in this country and the greater majority of the people, both Muslim and non-Muslim will readily applaud and support any steps taken by the government to thwart the efforts of these people to spread their dangerous and distorted beliefs.

PAS TACTICS AT CERAMAHs NOTED

Kuala Lumpur NEW STRAITS TIMES in English 12 Sep 84 p 2

[Text] KUALA LUMPUR, Tues.--A common tactic for whipping up crowd support in any event involving audience participation is the "cheer leader" trick.

People picked to form the "cheer leader" group are given special training to play a supporting role to the principal performer to increase the impact of his presentation.

This group normally acts so subtly that the other people present are not aware of what is perpetrated on them.

This is the tactic employed by Pas leaders to give sound and fury to their ceramahs held extensively in Kedah, Perlis, Kelantan and Terengganu before such meetings were banned by the Government recently.

A survey by a team of Bernama journalists in these areas found that the tactic had been effective, at least in terms of audience attendance at the ceramahs.

According to those who have attended the meetings, what are termed as ceramah sessions by Pas leaders are more political rallies, attended by 3,000 to 4,000 people each time.

They are not usually held within the closed confines of a house or hall as required by the law as the crowd often spills out of the premises, even to the roadside.

"There is absolutely no doubt that the ceramahs organised are political rallies," a security officer in Alor Star said.

It is no coincidence that in Kedah, the area where Pas ceramahs are most frequently held is Kubang Pasu, the parliamentary constituency of Prime Minister Datuk Seri Dr Mahathir Mohammad.

It is said that apart from pushing the Pas dream of Daulah Islamiah (Islamic nationhood) for the country, the speakers at the ceramahs also make wild accusations against specific targets including Government leaders.

Local political observers say the fatwas issued by Pas leaders at their ceramahs include those asserting that:

--Umno people are kafirs (unbelievers),

--Spilling the blood of Umno members is halal (sanctioned in Islam) because they are the opposers of the Islamic struggle;

--The administration of Dr Mahathir is kafir and toghut (despotic); and that

--God commands Muslims to quarrel, fight, and war with one another, as interpreted by Haji Madi Awang, Pas vice-president.

Objective

A Pas leader in Kedah is said to have given out a hit list of five current and past Umno leaders for assassination in the interests of upholding the rule of Islam in the country.

Although this is an utterly repellent idea to most people, for the traditional Pas supporters it may be perfectly acceptable.

Many Pas supporters, particularly in the remote areas believe--as a result of the fatwas laid down by their leaders--that fighting Umno is a jihad (holy war).

This means that if Pas people fall in the struggle, their death is syahid (a martyrdom), qualifying them for direct admission into heaven.

In the light of this development, some quarters feel that the nature of the current struggle waged by Pas has grossly deviated from the original objective for which the party was formed.

There are also those who suspect that the present Pas leaders are the tools of a power that does not have a legitimate standing in the country.

"The possibility of a third party infiltrating Pas to divide Muslims in this country should not be discounted," said a former Kedah Pas strongman.

He also speculates on the possible involvement of the international Zionism movement as part of its long-term strategy to destroy the Muslim community.

It is also said that Pas has taken the unprecedented step of forming a "suicide squad" to realise its ambitions.

Reliable sources in Pas itself maintain that such a squad had been set up in Kedah.

How far this is true, only Pas leaders themselves know.

But the truth that cannot be denied by Pas leaders is that their activities have split Muslims in this country.

Of more serious cause for concern, however, is that the activities are starting to pose a threat to national security, which means that the security of both Pas and Umno members and indeed all individuals in the country is endangered.

Given such a scenario, people are beginning to ask whether banning political ceramahs and detaining a handful of Pas leaders under the Internal Security Act are enough.

CSO: 4200/93

GOVERNMENT RESTRICTION ON CERAMAHS LOWERS POLITICAL TENSION

Kuala Lumpur NEW STRAITS TIMES in English 13 Sep 84 p 2

[Text]

KUALA LUMPUR, Wed.

The Government's restriction of ceramahs in Kedah, Perlis, Kelantan and Terengganu has been effective in keeping tension out of political gatherings.

Deputy Home Affairs Minister Encik Radzi Sheikh Ahmad said today the Government had no regrets in imposing the restriction on political gatherings as the results have been more than satisfactory.

The Government would continue with the restriction for the moment to ensure that peace and order in the States stays, he said.

There is also a need for the restriction to stay as there were still some hard core members of political parties especially Pas that filled their gatherings with fiery and emotional speeches, he added.

"However, the situation has improved vastly since we started imposing the restriction first, on Kedah and Perlis and later, Kelantan and Terengganu."

The Deputy Home Affairs Minister told the *New Straits Times* that the number of ceramahs turning into open political gatherings had been vastly reduced.

There had also been less

usage of loudspeakers outside of the closed-door political gatherings. Members of political parties have also taken steps to ensure that their ceramahs stay as closed-door political gatherings.

The political parties, however, have resorted to various strategies to ensure that their target of maximum number of audience is achieved so as to build up membership in view of the 1986 general election.

"We are not bothered that political parties have come up with more ceramahs before the imposition of the restrictions," said Encik Radzi.

"We know that Pas continues to intensify its ceramahs despite the restriction. This cannot be interpreted as a failure on the part of the Government," he said.

"Rather, what is important to us is that political parties have realised that they have to abide laws if they want to carry on with their political plans. And that peace and order reigns above political membership and influence," he added.

The Government imposed the restriction on ceramahs about three months ago. Home Affairs Minister Datuk Musa Hitam gave the green light for the imposition of the restriction.

CSO: 4200/93

PAS DEFIES BAN ON CERAMAHS

Kuala Lumpur NEW STRAITS TIMES in English 13 Sep 84 p 4

[Text] KUALA LUMPUR, Wed.--Pas activities in Terengganu and Kelantan are still very much in evidence despite a Government ban on public political ceramahs (lectures or talks) in the two States as well as in Kedah and Perlis.

In fact, a week after the ban was imposed, the Terengganu Pas headquarters in a wooden house in Kuala Terengganu was a hive of activity.

In the visitors' lounge, a number of people were listening to the taped interview of Terengganu Pas commissioner Haji Abdul Hadi Awang by a foreign correspondent, while in another part of the building, a meeting was in progress.

"Our activities will definitely continue, we will not be passive," Terengganu Pas deputy commissioner Haji Mustapha Ali, who was busy answering telephone calls in his office in a room, said.

"But you can say that ceramahs in the form that has been banned are no longer held."

He was confident, however, that the party's message will still get across to the rakyat because Pas has many alternative strategies.

Sources said the party was now concentrating on closed-door ceramahs for small groups of 30 to 50 people.

The sessions are normally held in Pas clubs, houses of local-level leaders and suraus on the quiet and at short notice.

According to them, the ceramahs are cunningly disguised as religious information sessions at first impression, but interspersed in the talks are sly hits at the Government.

In a surau in Kelantan, for example, a speaker was saying that Muslims in the past had strong religious faith, and were not easy prey to either temptation or threat.

Threat

But people of today, he went on, could be bought by a "kain pelekot" (chequered sarong).

His words could be taken as a dig against Umno which, Pas claims, distributes the kain pelekot among villagers to get their votes.

Prior to the ban order in early August, Pas had launched a large-scale ceramah blitz, particularly after three of its leaders were detained under the Internal Security Act (ISA).

Under the programme called the "assault movement," at least 10 ceramahs were held each night in any one Pas area in Terengganu.

The last ceramah in the programme took place at Kampung Buluh, about 65km from Kuala Terengganu, on Aug. 14. It was attended by about 3,000 people.

Although the session was held after the ban and, therefore, clearly illegal, police personnel deployed at the venue had to use their discretion to allow it to proceed so as not to cause any tension.

This incident and the holding of a number of similar ceramahs in Kelantan were seen by Pas quarters as a moral victory and "evidence" of the Government's inability to act against them.

Official sources, however, said police had to tread carefully in such a situation so as not to fall in to the Pas "trap."

They said Pas would love nothing more than a show of Government heavy-handedness in front of a large audience whose feelings have already been inflamed.

However, Kelantan Pas deputy commissioner Haji Nik Abdullah Arshan, interviewed in Kota Baru, denied that Pas was inflaming the people in its ceramahs through frequent and loud utterances of the "takbir" (praise of God).

"There has never been any disturbance in ceramahs organised by Pas in the history of this country," he added.

But Haji Nik Abdullah himself conducted a "religious class" in the hall of the Pas building in Kota Baru on Aug. 31 when the people were taking part in or watching a National Day procession nearby.

"The class was planned before we knew about the procession," he said when commenting on accusations that Pas was trying to show off its strength by having the class on that day.

The class is held every Friday morning by Kelantan Pas commissioner Haji Nik Abdul Aziz Nik Mat who is now on pilgrimage in Mecca.

He contended that Pas was only carrying out its responsibility to disseminate information on Islam and that the Government was also responsible for giving the people the opportunity to obtain such information.

However, Terengganu Menteri Besar Datuk Haji Wan Mokhtar Ahmad and his Kelantan counterpart, Datuk Haji Mohamed Yaacob, are of the view that Pas has misused religion to further its political interests.

They pointed out that Pas always raised issues calculated to cause divisiveness such as labelling other Muslims "kafirs" (unbelievers) and laying down other confusing "fatwas" (rulings).

Datuk Haji Mohamed said the Government had long quietly watched the effects of Pas ceramahs on unity and security in the country.

"The time has come to put a stop to the matter before it gets out of control," he added.

At present, Umno members who were the target of Pas' wild allegations could still exercise patience "but what will happen when things reach a stage where they will lose their patience?" he asked.

Datuk Haji Wan Mokhtar said that a factor that had affected the faith of Muslims and caused disunity among them was the so-called Amanat tuanguru Haji Abdul Hadi (Message of the grand teacher Haji Abdul Hadi) circulated among Pas members and supporters.

Haji Hadi, apart from being the Terengganu Pas commissioner and State Assemblyman for Marang, is also a well-known religious teacher.

Message

The message or advice among other things outlines the reasons for Pas opposing Umno and the Barisan Nasional and claims that its struggle is a "jihad" (holy war).

Datuk Haji Wan Mokhtar believes the "amanat" to have a great effect on the religious conviction of Muslims in the country and has expressed his readiness to debate with Haji Hadi on the subject.

The message, which has been beautifully printed, is said to be decorating the walls of houses of Haji Hadi's staunch followers like what is being done with Kukunegara posters by other people.

Many political observers in the two States think Pas' "aggressive" approach is working against the Malays themselves. They fear that the disunity among Malays created by Pas will be exploited by a big power to crush this country.

An observer said Pas should play a role as a positive Opposition because it had no hope of toppling Umno to take over power in Malaysia under the system of democracy and electoral structure practised in the country.

Pas leaders should stop making baseless accusations against the Government and instead have consultations on ways to further promote Islam and protect the political interests of the Malays.

CSO: 4200/93

STATUS OF NON-CHINESE GERAKAN IN QUESTION

Kuala Lumpur NEW STRAITS TIMES in English 2 Oct 84 p 2

[Text] KUALA LUMPUR, Mon.--The Gerakan party election is over, but another question has cropped up among the members--whether the party is becoming more for one particular community.

Two days before the election, former central committee member K. Balasundram, of Penang, had said that the non-Chinese members were fed up because the party was becoming "more Chinese" in its objectives.

He had further alleged that in the campaigns by the Datuk Dr Lim Keng Yaik-Datuk Paul Leong and Datuk Michael Chen-Datuk Goh Cheng Teik camps, the non-Chinese were ignored as if their votes were not important.

And of the 38 candidates going for the central committee, all the 18 elected were Chinese.

The three non-Chinese candidates were Manjit Singh Sachdev, J. P. Samuel Raj and Dr M. Jayaraman.

Re-elected party president Datuk Dr Lim, after the results were announced, expressed regret that not even one non-Chinese candidate was returned.

Delegates

The question that arises now is whether the results lend strength to the allegations that the non-Chinese members no longer have a place in the party.

Datuk Dr Lim showed he was serious in wanting non-Chinese participation in the Gerakan when he said that those non-Chinese candidates who lost in the election definitely had a place in the party.

He said that they would be placed in certain bureaux of the party so that they could continue to contribute to the party struggle.

It would be difficult to say that the non-Chinese candidates failed just because they were non-Chinese.

Two non-Chinese candidates received more than 500 votes each, showing that they did receive votes from the Chinese, as according to one delegate, there were about 300 non-Chinese among the 1,537 delegates.

Based on this, it would mean that no less than 200 Chinese delegates gave their votes to the non-Chinese candidates.

It is possible that the failure of the Chen-Goh team for the presidency and deputy presidency could have contributed to the failure of the non-Chinese to get into the central committee.

The delegates probably did not want the two leaders, who could still make valuable contributions to the party, to be isolated from the helm of the party.

This is evident when 13 of those elected to the central committee were said to be from the Chen-Goh camp.

And as at least two of the non-Chinese candidates were said to be supporters of the team which had won the presidency and vice-presidency, the delegates cast their votes for the candidates said to be supporters of Datuk Chen and Dr Goh.

Majority

Meanwhile, several non-Chinese delegates at the Gerakan general assembly yesterday said that, whatever the outcome of the election, the feeling among the non-Chinese members that they were being left out could not be avoided.

They, however, agreed that in a party that practised democracy, the voice of the majority--in this case, the Chinese--would receive attention.

The party now has about 140,000 members, of whom about 24 per cent are non-Chinese.

Nonetheless, the voice of the non-Chinese in the central committee will continue to be heard as of the six life members of the committee, two are non-Chinese--Datuk Harun Sirat and Encik Puteh Mat.

The Gerakan was set up in 1968 with Prof. Syed Hussein Al-Attas as president and founder members included Penang Chief Minister Dr Lim Chong Eu.

And now the burden of continuing with the struggle of the party and whether it will continue to be multi-racial in nature rests with Datuk Dr Lim.

CSO: 4200/93

NUCLEAR ENERGY DEFERRED TILL YEAR 2000

Kuala Lumpur NEW STRAITS TIMES in English 3 Oct 84 p 1

[Text] KUALA LUMPUR, Tues.--Malaysia has ruled out the use of nuclear energy for electricity generation until the year 2000.

Energy, Telecoms and Posts Minister Datuk Leo Moggie said today the Government had decided against the nuclear option "for purely economic reasons".

He said: "Our policy is to diversify power production which is now basically liquid fuel based. We are looking towards non-petroleum based fuel resources.

"The Government has, therefore, put aside the nuclear option as it does not consider this the right time to study its use."

Datuk Moggie, however, stressed that the freeze on the nuclear option did not mean the Government would neglect developments in nuclear research.

"We are keeping abreast of developments in the field of nuclear science because of its diverse use especially in the field of health," he told newsmen after opening a seminar on the National Industry Corporation of Norway here.

Resources

The Government, he added, has placed "nuclear energy on very low priority" in its energy planning programme.

Instead, its policy is to tap renewable fuel resources such as hydroelectricity, coal and natural gas.

"If you notice, other countries using nuclear energy for electricity generation do not have or possess only limited quantities of renewable fuel resources."

Datuk Moggie said the Government had also based its decision on other factors including:

--the import of uranium from other countries, given the fact that only a few countries produced the mineral;

--the high capital cost involved in setting up the electricity generation plant using nuclear energy; and,

--the Government's stated policy of not putting "all its eggs in one basket".

Datuk Moggie explained that while the installed capacity for electricity production in the country was about 2,400 megawatts with peak usage at about 1,800 megawatts, the capacity of a nuclear power station was about 1,000 megawatts.

This would mean over-dependence on such a plant given current electricity usage in the country, he added.

Describing the utilisation of imported coal as an attractive proposal for future power needs, he said: 'The question of pollution may arise but we feel that this can be controlled using modern technology as is being done in Japan which uses coal for similar purposes.'

He indicated that it would not be difficult to introduce some of the stringent Japanese anti-pollution measures into the country.

CSO: 4200/93

MALAYSIA-NEW ZEALAND TRADE GAP GROWING

Kuala Lumpur BUSINESS TIMES in English 2 Oct 84 p 21

[Article by Hashim Makarruddin]

[Text]

TWO-WAY trade between Malaysia and New Zealand since 1975 has shown a steady increase, but one contentious issue in their bilateral trade ties is the lopsided trade which has been in New Zealand's favour in the last few years.

New Zealand figures show that bilateral trade has consistently been in its favour, except for the year ended June 1980 when a substantial jump in imports of petroleum products from Malaysia reversed the pattern.

In the three years to June 1983, there have been no direct New Zealand imports of petroleum products from Malaysia.

For the year ended June 1983, New Zealand's exports to Malaysia totalled NZ\$112.2 million against imports of NZ\$33.9 million — a three-to-one imbalance in New Zealand's favour.

The bulk of the country's exports to Malaysia are dairy products — whole milk powder, skim milk powder and anhydrous milk fat — and newsprint.

Exports of dairy products have more than doubled in value terms in the last five years, representing almost 62 per cent of the value of total exports in the year

ended June last year.

Other exports which have shown good increases in value terms in the last five years are live animals, meat, newsprint and manufactures of metals.

On the other hand, Malaysia's main exports to New Zealand for 1983 were textile yarns and fabrics, crude rubber, canned pineapple, vegetable oils, fish and fish preparations.

Awareness

The trade imbalance was one of the issues raised by Prime Minister Datuk Seri Dr Mahathir Mohamad in his discussion with his counterpart, Mr David Lange, when he visited New Zealand in August, and it was agreed that measures be taken to reduce the trade gap.

So what are the prospects of Malaysia expanding its exports to New Zealand? Has Malaysians done very much to promote its products there?

A Malaysian trade official in Wellington says among major impediments are the existence of high tariff rates and stringent quantitative curbs under the New Zealand import licensing control.

Admitting that New Zealand's small population of three million

people is in itself a major factor impeding Malaysia's prospect of increasing its exports there, he feels that New Zealand could do more by importing Malaysian rubber products, canned seafood, electronic products, cane furniture, coffee, cocoa and sawn timber.

"There is also a lack of awareness among New Zealanders of Malaysia's industrial products," he adds.

However, the official agrees that to be fair, Malaysian businessmen also have to be blamed as not many of them come to New Zealand to promote their products.

New Zealand trade and private sector officials, in sharing this view, say Malaysians have not done very much to find out the opportunities available in New Zealand for their products.

Mrs Camille Sinclair, External Trade Officer, Trade Service Division of the Department of

Trade and Industry, says that while there had been increased interest by New Zealand businessmen about Malaysia, not many Malaysian businessmen visit New Zealand to seek trade opportunities.

The country's continued interest in Malaysia is borne by the numerous trade enquiries the New Zealand High Commission in Kuala Lumpur received over the last year.

On an average, 160 trade enquiries and 15 New Zealand export visitors are received by the Kuala Lumpur New Zealand High Commission. These averages are among the highest for any Asean post.

New Zealand Export-Import Corporation's general manager, Mr C.B. Stanworth, also feels that Malaysians have to come to New Zealand and sell their products. "You have to come to knock at our door to find out the trade opportunities," he

adds.

The corporation last March set up a regional trade office in Kuala Lumpur and has been able to find a market for desiccated coconut. It is also looking at imports of Malaysian pineapple and frozen shrimps and is keen on importing tin scraps.

On import licensing control, Mrs Sinclair says the trend now is towards market liberalisation.

Aggressive

In a recent interview, Trade and Industry Minister David Caygill confirmed that New Zealand would open further its market to foreign imports.

When this happened, he said, Malaysian firms ought to feel encouraged to make approaches to New Zealand market. "As we liberalise, we will buy more from Malaysia," he added.

New Zealand trade

officials also feel that Malaysian businessmen should make fuller use of the government's Developing Countries Liaison Unit set up to help promote developing countries' products in New Zealand.

"Malaysians don't make much use of the unit. On the whole, enquiries from Asean are small, constituting less than 10 per cent of the total," says Mrs Sinclair.

The unit provides market information and assistance to trade missions and individual exporters from developing countries visiting New Zealand.

New Zealand's recent move towards liberalising its market is being watched with great interest by Malaysia and the other Asean countries.

These countries are watching how fast New Zealand will open more of its market and to what extent this will benefit them.

That Malaysia and the Asean region are important to New Zealand is undeniable. In view of Asean's good growth prospects, the region will naturally be an important market for New Zealand.

Australia, Europe, the United States and Japan are now the country's major markets for its products.

The region's importance is underscored by the expected visit to Asean capitals next year by a high-level New Zealand trade mission to be led by Overseas Trade Minister Mike Moore, who is adopting an aggressive export promotion stance.

In the words of Hank of New Zealand (BNZ) economist, Dr John

Lepper, Asean is a region of great promise with a "decreasing risk in a world of increasing risk." In fact, he says in terms of trade and economic prospect, Malaysia is ranked third by BNZ behind China and Japan.

While New Zealand may be a small market for Malaysian businessmen, New Zealand firms and manufacturers are ideal partners for projects in Malaysia.

The country, highly efficient in farming, dairy farming, forestry and horticulture, also has much to offer to Malaysia in terms of expertise and technology.

Firms like Fletcher Construction involved in the building of the Tabung Haji project, Murray North in the design and construction of bridges along the East-West Highway, and UEB Industries in the introduction of Woodtex building systems are a few examples of New Zealand companies' technology and involvement in Malaysia's economic development.

Disastrous

In the last couple of years, involvement by New Zealand companies in Malaysia has increased dramatically to the extent that 15 New Zealand firms have set up offices in Malaysia. There are 22 companies involved in joint ventures and over 200 firms have appointed agents in Malaysia.

New Zealand joint ventures cover a wide range of interests, including the manufacture of rubber gloves and paper products, housing construction, boat building and consultancy services.

"To a large extent, this increase is due to the complementary nature of the Malaysian and New Zealand economies - New Zealand machinery and equipment are often of a type and scale suitable for Malaysia and New Zealand industry has proven skills in small-scale

operation," says one New Zealand trade official.

New Zealand companies operating in Malaysia have always felt comfortable and welcome. They understand the New Economic Policy and have little problem in meeting its requirements as well as the technology transfer.

Fletcher Construction overseas division general manager, Mr Bruce J. Connor, says "because of similarities in business and legal background, we can relate with Malaysians easily."

The company sees Malaysia as a stable country with bright growth prospects.

Despite being disadvantaged by the Malaysian government's Look East policy, the company is committed to continuing its presence in Malaysia.

However, Mr Connor says the Look East policy has greatly affected its business and feels that the policy has had a disastrous effect on Western contractors.

Fletcher Construction has for the last 12 months tendered for projects worth M\$305 million and has not won a single one.

Mr Peter J. North, a director of consultant engineers Murray North, which recently partnered a local firm to pre-qualify for stage two of the peninsula gas utilisation project, feels that although New Zealand is a small country, it has the expertise and technology to help Malaysia in its economic development.

New Zealand firms have always found their experience working in Malaysia pleasant in view of the close ties, being members of the Commonwealth and the Five-Power Defence Arrangement.

In addition, New Zealand chambers of commerce and the Asean chambers of commerce and industry have already pledged to further strengthen trade and economic ties. - Bernama.

MALAYSIAN DEFICIT MANAGEABLE

Kuala Lumpur BUSINESS TIMES in English 3 Oct 84 p 1

[Article by Dilip Mukerjee]

[Text]

MALAYSIA'S current account deficit is still large but the situation is manageable. If the brakes applied to development spending, the main cause of the deficits, remain in place, the country "will not get into a debt trap" of the kind in which many major borrowers find themselves today.

This is the cautious assessment of Malaysia watchers among international bankers, based upon reports and forecasts obtained from a variety of agencies including the World Bank.

This assessment takes into account the role of oil exports as a stabilising factor in Malaysia's external accounts. A very substantial increase in volume is in prospect this year, with a potential for further growth if necessary as indicated by Petronas in a recent statement. Though imports of lower priced West Asian crude are also rising, the net income from oil should continue to provide a useful cushion at least until 1988 if not well beyond that year.

In addition, there is a new income stream from LNG exports. For 20 years, Malaysia has a guaranteed market for what it can produce from the Bintulu plant within the limit of its rated capacity. Whether Malaysia will judge long term

prospects attractive enough to invest in additional capacity is the question intriguing Malaysia watchers.

This is the reason why there is no feeling of disquiet in the banking community about the still high deficit on current account. As a proportion of the total earnings from goods and services, this year's estimated deficit of \$5.5 billion will come to about 15 per cent. This compares with the 7.6 per cent forecast by the International Monetary Fund as the average for developing countries classified as net oil exporters, the category in which Malaysia is placed.

Another reason why bankers are taking a relaxed view of the Malaysian deficit is that it has come down very sharply. It was as high as 29 per cent in 1982 and 21 per cent in 1983 of export earnings in the respective years.

A second reassuring factor is the current strength and future potential of Malaysia's non-oil exports. The 14 per cent rise, after discounting for price changes, in exports of electronic items in 1983 came as a welcome surprise. There is a general optimism about the prospect for manufactured Malaysian exports, questions about future being fo-

rued on the extent to which Malaysia can take downstream processing to gain added value in such items as electronics and textiles.

On the commodities front, the judgement is that there is scope for substantial growth in the volume of palm oil exports. While prices will, as in the past, fluctuate from year to year because of the characteristic volatility of the edible oils market, it is believed that the trend will be upwards in terms of current dollars.

The same holds true for rubber and tin, with the difference that world demand will show much better growth in the first case than the second. In sawn logs, the volume will be flat by choice but prices will rise in current dollars.

Even taking into account these prospective improvements in export earnings, the government will still have to reduce the demand for imports to keep current deficits within manageable limits. This reduction will have to be through phasing development expenditures over a longer time span than envisaged earlier.

The key to the situation lies in cutting budgetary deficits because this will put an automatic curb on development spending. As the World Bank said

for the record in its annual report, "both the budget and current account deficits are still too high to be sustainable".

As a proportion of the GNP, the deficit of the federal government is expected to be a shade above 10 per cent this year - down from 17 per cent in 1982. If off-budget deficits incurred by agencies like FELDA and RINDA are taken into account, the total public sector deficit might be around 11 to 12 per cent this year, down from 13.5 per cent in 1982.

To put these figures in perspective, the weighted average of budgetary deficits incurred by non-oil developing countries (including net oil exporters like Malaysia) was 4.5 per cent of their GDP in 1982 but is expected to be down to 3.75 per cent this year. As the World Bank pointed out in a report last year, Malaysia is among the developing countries with the highest ratio of government spending to total national income.

As Malaysia watchers see it, it will be necessary to restrain spending by the off budget agencies. While government operations have witnessed a period of very sharp adjustments, the agencies still have to put themselves through a wringer

BANK CANCELS INTEREST CHARGES ON LOANS TO POOR FARMERS

Kuala Lumpur BERITA HARIAN in Malay 8 Sep 84 p 1

[Text] Minister of Agriculture Encik Anwar Ibrahim today [7 September] cancelled interest charges on small loans made to poor farmers by Bank Pertanian Malaysia [Malaysia Agricultural Bank].

He said that the cancellation of interest charges of up to 2 percent on several types of small loans was consistent with the government's effort to apply Islamic values in the administrative process.

Bank Pertanian will charge only a minimum service fee, as Bank Islam now does.

Encik Anwar also has instructed the board of directors and the management of the bank to re-examine and emphasize the policy and objective the bank was founded on, namely, to help low-income farmers eliminate problems they encounter in obtaining loans.

The minister also wants Bank Pertanian to increase its efforts to recover loans that have been made to high-income borrowers and that have fallen into arrears.

Working Visit

After making a 2-hour working visit to the main office of Bank Pertanian in Kuala Lumpur, the minister told reporters that the bank has a small-loan program for poor farmers that carries interest charges of up to 2 percent.

"However, the 2 percent charge is used for services performed in processing loans financed by the government and is not actually interest. It is called interest following the practice of Western banks.

"We are doing away with this 2 percent fee and replacing it with a very minimal service charge," he said.

He stated that the bank has been given 2 weeks to produce a plan on the types and rates of loans that can be issued without charging interest.

He also said that other commercial affairs of the bank are being examined by his ministry.

Encik Anwar also noted that Bank Pertanian marks its 15th anniversary at the end of this month. "Consequently, it is time for it to re-evaluate all of its achievements and place its organization and operations on an up-to-date basis," he said.

The minister said that he has forwarded several plans to the management of the bank and that they should give their attention to these plans so the bank can truly pursue its founding objective of helping poor farmers.

"I want Bank Pertanian to give more emphasis and attention to efforts to assist low- and middle-income farmers. Persons working large landholdings can obtain assistance from other commercial banks.

"This bank should carry out projects that are aimed at low-income groups as this is consistent with the objectives of the New Economic Policy and the State Agricultural Policy," he declared.

The minister said that since there are no firm guidelines in existence at the present time, the bank has a tendency to make loans to persons in high-income groups and that about 24 percent of all the loans it has issued fall into this category.

Overall, the loan repayment record of low-income farmers is far better than that of persons in high-income groups, he said.

Encik Anwar said that from the time it was founded to date Bank Pertanian has issued M\$1.29 billion in loans.

While the amounts involved are small, 80 percent of the poor farmers who receive assistance under short-term loan programs repay their loans.

However, the rate of repayment under medium- and long-term loan programs is only 30 and 41 percent respectively, he said.

"In view of this development, I have instructed Bank Pertanian to demand payment from companies that fail or are reluctant to repay their loans on schedule.

"They are to take legal action immediately if there is failure to comply," he stated.

5458

CSO: 4213/19

LNG EXPORTS BOOST SARAWAK'S TRADE SURPLUS

Kuala Lumpur BERITA HARIAN in Malay 8 Sep 84 p 16

[Text] With increased earnings recorded for liquefied natural gas (LNG), crude oil and commodity exports, Sarawak's trade surplus rose to M\$1,826 million for the first half of the year.

The trade surplus for the same period last year was M\$732 million.

Preliminary figures released by the Statistics Department indicate that exports rose 31.6 percent to M\$3,413 million. Imports were valued at M\$1,587 million, up from M\$1,497 million for the same period last year.

LNG earnings tripled, rising to M\$775 million from M\$235 million.

LNG has become the second largest source of export earnings only 1 year after Sarawak began exporting the product.

The leading export, crude oil, had earnings of M\$1,500 million for the period.

Earnings of principal export commodities, such as latex, pepper, crude palm oil and coconuts, totalled M\$95 million, up from M\$62 million.

Imports of transportation equipment and machinery were valued at M\$665 million.

Imports of finished products were valued at M\$291 million and of foodstuffs at about M\$232 million.

5458

CSO: 4213/19

ADB APPROVES PENANG PORT LOAN

Kuala Lumpur BUSINESS TIMES in English 17 Sep 84 p 1

[Article by Hamidah Hamid]

[Text] The Asian Development Bank (ADB) has approved a US\$45.8 million (M\$105.34 million) loan for the third Penang port expansion project.

The new terminal, aimed at easing port congestion and facilitating containerised freight traffic, is expected to be operational by late 1988 in time to accommodate rapidly expanding port traffic.

Penang port traffic grew at an average 7.4 per cent from 1976 to 1983 and is forecast to grow at an annual 4.4 per cent to 1989.

With the completion of the new terminal, all container cargo-handling will be centralised.

An ADB statement said the total project would cost US\$174 million (M\$400.2 million), with foreign exchange cost of US\$114 million (M\$262.2 million).

The Saudi Fund for Development and commercial credit sources will finance the portion of foreign exchange component not financed by ADB.

The Penang Port Commission will provide residual foreign exchange and local currency costs.

The loan, drawn from ADB's ordinary capital resources, is for a term of 20 years, with a grace period of four years. Interest is 10.25 per cent a year.

The project, to be located north of the present port, will involve construction of an island type wharf on a minimal amount of reclaimed land.

It also includes the dredging and reclamation of about 41.6 ha of land for a container marshalling yard, container freight stations and ancillary areas; construction of a wharf with a mooring dolphin and access bridge; aving of the port area; construction of buildings and a container freight station; and procurement of container handling equipment.

While the project will directly benefit the northern part of Peninsula Malaysia, it will also make an impact on the country's economy. International trade accounts for 50 per cent of the Gross National Product and Penang port is one of the country's two major deep water ports.

It exports key commodities such as palm oil, rubber, tin, ilmenite and manufactured goods.

The ADB has also granted technical assistance to Malaysia for an aquaculture development project. It would increase the local supply of fishery products, provide export earnings and create additional employment for small scale fishermen.

A feasibility study will be prepared to cover estimates of costs and benefits, and analysis of financial, economic and social aspects.

There will be a review of the aquaculture sector and its development prospects, relevant government policies and the capacity of local institutions to implement development projects for aquaculture.

Services of technical experts in economics, aquaculture, aquaculture engineering, fish handling/processing, aquaculture research planning and rural institutions for about 20 man-months will be provided under the grant.

The Fisheries Development Authority of Malaysia will be responsible for project preparation, the Department of Fisheries for research planning, and Ministry of Agriculture for overall coordination of the study.

CSO: 4200/92

PETRONAS BAILS OUT BANK BUMIPUTRA

Kuala Lumpur BUSINESS TIMES in English 15 Sep 84 pp 1, 12

[Article by Charles Chan]

[Text]

PETRONAS has come to the rescue of Bank Bumiputra by agreeing to become its single largest shareholder (90 per cent) at a total cost of more than \$2.4 billion.

The bail-out plan, announced at a news conference yesterday by Finance Minister Daim Zainuddin, was aimed at clearing Bank Bumiputra of its "problem loans" in Hong Kong and injecting new capital and financial backing to strengthen public confidence in the bank.

The principal features of this financial assistance package arising from efforts to enable Bank Bumiputra to meet its obligations in the wake of the BMF affair are:

■ Petronas will take over Permodalan Nasional Bhd's (PNB) en-

tire equity in Bank Bumiputra valued at \$933 million. At the same time, Petronas will inject new capital of \$300 million into the bank.

■ Petronas will purchase the entire problem loans in Hong Kong (valued at \$2,255 million) for \$1,255 million.

■ As a result, Petronas will effectively become the largest shareholder (90 per cent equity) of the largest bank in Malaysia at a cost of \$2 per share. The other 10 per cent is held by the government.

■ To further augment its capital base, Bank Bumiputra on its part will sell its 30 per cent stake in Malayan Banking to PNB for a profit of \$500 million.

■ With the capital injection of \$300 million and the additional capital profit of \$500 million, the

bank would be able to write down \$1 billion of its problem loans in the 1983 accounts.

This means that the bank, after restructuring, would have a capital base of \$1,100 million which would be adequate to meet its capital requirements.

PNB will also come out of the exercise richer by \$200 million.

The Finance Minister directed Petronas to review the management structure and corporate objectives of the bank to restore it as a "dynamic, viable self-financing entity."

Among those present as the Finance Minister disclosed details of the rescue plan were his deputy, Datuk Sabbaruddin Chik, Bank Negara Malaysia Governor Tan Sri Abdul Aziz Taha, Pe-

tronas chairman Raja Tan Sri Mohar Badiozaman and Bank Bumiputra chairman Dr Nawawi Mat Awin.

Encik Daim said the government had considered various alternatives but found in the end, the only workable solution was to invite Petronas, "an institution of impeccable financial integrity and resources" to become the principal shareholder of the bank.

He said the financial assistance package would strengthen the bank's capital base and asset quality, improve management and raise efficiency and rebuild the credibility of the bank with its clients and bank correspondents.

Encik Daim said the BMF affair had been one of his priorities since he took over as Finance Minister.

"I have directed the bank to ensure that in finalising the 1983 financial statements the implications of the problem loans of its subsidiary in Hong Kong must be decisively dealt with once and for all, so that the bank can get on with its business of banking, free of these problem loans which had become a burden on its financial and human resources."

He said audited accounts of Bank Bumiputra showed the amount of problem loans resulting from the exposure of its subsidiary (BMF) in

Hong Kong was \$2,255 million at the end of 1983.

Since the bank's total shareholders' funds amounted to \$1,221 million at the beginning of 1983, the bank on its own would not have the capacity to resolve the problem without a substantial fresh injection of financial resources.

The overriding principle in inviting Petronas to replace PNB as the principal shareholder of the bank was to place it

on a stronger, albeit leaner, financial footing. Enoch Daim said.

"This package has been the result of extensive study and evaluation. With its implementation, the bank is cleared of its problem loans arising from Hong Kong. Indeed, the bank will have been sufficiently strengthened to get on with the business of shaping its future with renewed confidence," he added.

The greater result is

that the bank will emerge stronger and able to concentrate on providing top quality banking services to its customers," he added.

In reply to a question, Tan Sri Abdul Aziz Taha said the cost (to Petronas) would be reduced with the recovery of the problem loans. The bank, he stressed, had not written off the loans but recovery through legal means would take a long time.

CSO: 4200/92

PETRONAS TAKEOVER OF BANK BUMIPUTRA

Bad Debts in Hongkong

Kuala Lumpur BERITA HARIAN in Malay 15 Sep 84 p 1

[Text] The government announced today [14 September] that Petronas [National Petroleum Corporation] will take over all shares in Bank Bumiputra that are held by Permodalan Nasional Berhad [National Finance Corporation] and that this will eliminate the burden on the bank that was created by the issuance of M\$2,255 million in loans by the bank's subsidiary in Hongkong, Bumiputra Malaysia Finance (BMF).

The plan, which involves Petronas, Permodalan Nasional Berhad (PNB) and Malayan Banking Berhad (MBB), allows Bank Bumiputra to write off M\$1 billion in bad debts owed to it by several borrowers in Hongkong, strengthens public confidence in the bank, and rebuilds the trust of its customers.

At the same time, Petronas, whose operations are now limited to the petroleum industry, will have an opening into the financial sector, and this is expected to have a positive effect in the long term.

Encik Daim Zainuddin, the minister of finance, announced the plan and said that it would take effect immediately. Bank Bumiputra will not be responsible for the problem debts when the plan is implemented.

"In my view, the bank will grow stronger and will be able to conduct future operations with more confidence," the minister said.

With the implementation of the plan, Petronas will hold 90 percent of the stock in Bank Bumiputra, while Malayan Banking Berhad will be controlled by the PNB.

The plan announced by Encik Daim Zainuddin late this afternoon involves the takeover by Petronas of 86 percent of the stock in Bank Bumiputra from the PNB for a payment of M\$933 million. Petronas also will put M\$300 million in new capital into the bank and will take over the bank's liabilities, which total M\$1,225 million. Bank Bumiputra will sell 30 percent or 54 million shares of MBB to the PNB at a price of M\$729 million and will receive a profit of M\$589 million.

Lesson

This means that Petronas will pay out a total of M\$2,400 million or M\$2 a unit for a 90 percent equity in Bank Bumiputra and that the PNB will gain M\$200 million from the transaction.

The PNB, which had owned about 20 percent of the stock in MBB, will now hold more than 50 percent of the stock and control the bank. So while the PNB has relinquished control of the largest bank in Malaysia, it now controls the second largest bank.

Encik Daim said that with the implementation of this formula Bank Bumiputra will try to write off M\$1 billion in bad debts from its 1983 accounts.

"This means that when the restructuring is completed Bank Bumiputra will have M\$1,100 million in capital, which is sufficient to meet its capital requirements.

"Bank Bumiputra will not be responsible for the problem debts when the plan is implemented and, in my view, the bank will grow stronger and this will enable it to conduct future operations with more confidence," he said.

He also said that "we have received a valuable lesson from this experience and we should avoid making any misjudgements about this important decision."

Encik Daim also said that the auditor's report on Bank Bumiputra for the end of 1983 showed that the problem debts in Hongkong totalled M\$2,255 million while the funds paid in by stockholders came to only M\$1,221 million.

No Coverup

Kuala Lumpur UTUSAN MALAYSIA in Malay 17 Sep 84 p 8

[Editorial: "Bank Bumiputra Financial Crisis Ends"]

[Text] Petronas, by purchasing M\$933 million worth of stock in Bank Bumiputra from the PNB, has not only become the largest stockholder in the bank but has also saved the bank from the financial crisis created by the BMF incident in Hongkong.

In the present situation only Petronas seems to be trying to re-establish Bank Bumiputra on a stronger financial foundation and thereby free the PNB from a burden of debt which could disrupt its future operations, although there is no denying that this move by Petronas will reduce its profits by millions of dollars.

It was better to carry out this rescue operation quickly than to let a financial institution like Bank Bumiputra remain in difficulty, facing an uncertain financial situation and losing the confidence of the people. If Bank Bumiputra's difficulties had been covered up, then the implications for the participation of Malays in the economy, as planned in the New Economic Policy, would be hard to calculate.

Bank Bumiputra has regained a firm footing but this does not mean that the unfortunate incident it experienced can be simply dismissed, for the people will not be satisfied until the parties responsible for the BMF incident in Hongkong are brought to justice.

In this connection, we are happy to note that Prime Minister Datuk Sri Dr Mahathir Mohamad and Finance Minister Encik Daim Zainuddin have guaranteed that the government will not protect whomever is responsible for plunging Bank Bumiputra into this crisis. Declarations like this must be re-emphasized, for we fear that there are persons who will look at the rescue operation by Petronas and think that the whole bitter affair will be covered up.

Datuk Sri Dr Mahathir has promised to release the findings of the investigating committee headed by Tan Sri Ahmad Nordin Haji Zakaria, and it would be best for the final report on this case to be presented to the government by Bank Negara. The people are impatiently waiting for this important announcement because they greatly desire to know what actually happened and who is responsible for the BMF incident.

We feel that wrongdoing that involves millions of dollars of the people's money cannot be tolerated. If appropriate sentences are not imposed on the responsible parties, then the authority of the government--a government that practices the concepts of efficiency, incorruptibility and trust--will become a toy. The government headed by Datuk Sri Dr Mahathir certainly does not want to see that happen.

5458

.CSO: 4213/20

YOUNG PEOPLE WARNED OF THREATS TO NATIONAL RESILIENCE

Kuala Lumpur BERITA HARIAN in Malay 18 Sep 84 p 20

[Text] Datuk Sanusi Junid, the minister for national and rural development, has warned young people that they should maintain constant vigilance against three enemies that work against national resilience.

These enemies are the drug epidemic, the threat of communist subversion, and extremists who are trying to disrupt racial unity in Malaysia.

The minister, who is also the president of Malaysian Youth Clubs (MAYC), said that in order to stem these influences, young people must try to develop and propagate the spirit of national resilience by increasing their resolve to oppose these threats.

Speaking in Sabak Bernam this evening [17 September] at the opening of the 17th annual grand conference of the MAYC of Selangor, the minister said that every young member of the MAYC has the responsibility of increasing the power of national resilience so as to strengthen and reinforce their country.

5458

CSO: 4213/20

DEVELOPMENT OF SARAWAK GAS FIELDS PLANNED

Kuala Lumpur BERITA HARIAN in Malay 20 Sep 84 p 16

[Text] Sarawak Shell and Petronas will invest M\$3,500 million in the development of five gas fields at the Central Luconia site in Sarawak. Production is expected to begin early in 1986.

The development of the five fields is connected with the Bintulu Gas Project. When production begins they will supply up to 1,250 million standard cubic feet of gas per day and will maintain this capability for the next 20 years.

This information was contained in a speech delivered by Tan Sri Abdullah Mohd. Salleh, the president of Petronas, before the Petro Pacific Congress in Melbourne, Australia today [19 September]. The text of the speech was released in Kuala Lumpur.

He said that only two of the five gas fields, E11 and F23, are now in production and that they produce about 500 million cubic feet per day.

The gas will be carried 109.2 km by submarine pipeline to processing plants.

Demand

Tan Sri Abdullah said that even with an additional demand of up to 50 million cubic feet for the steel project and ASEAN urea and ammonia project in Bintulu, reserves were adequate for the next 20 years.

He said that it is estimated that the two LNG plants and the steel project will use about 9.5 trillion cubic feet of gas, and not more than 10.5 trillion cubic feet, in the next 20 years.

"Petronas is aware that the gas reserves at Central Luconia amount to only 18 trillion cubic feet. After the gas that will be used for the two projects is withdrawn, the remaining reserves will be used to extend the life of the projects," he said.

He also said that gas reserves could be used to expand plant capacity if there was increased demand from buyers.

With regard to management, Tan Sri Abdullah said that Petronas would provide specialized support by transferring trained personnel to the project.

And in the area of engineering, he noted that since a large part of the LNG project will depend on engineering resources, Malaysia LNG (MLNG) has been forced to guarantee Shell Internationale Petroleum Maatschappij (SIPM), the technical consultant, that it will abide by the job specifications that are established.

MLNG will also participate in the approval of contracts, in making decisions in cases involving technical matters, and in approving changes in contracts.

Tan Sri Abdullah said that in order to make sure that the development of the projects will benefit local residents, the Bintulu authorities are putting up factories and housing, providing employment and otherwise ensuring that the industrialization of the area will be permanent.

5458

CSO: 4213/20

RUBBER SALES TO EAST-BLOC THREATENED

Kuala Lumpur BUSINESS TIMES in English 3 Oct 84 p 1

[Article by Adlin M. Zabri]

[Text]

MALAYSIA'S rubber exports to East Bloc countries may be in danger of being overtaken by third-country exporters offering more favourable credit facilities.

The warning was given yesterday by Deputy Primary Industries Minister Megat Junid bin Megat Ayob who learned of their increasing imports of Malaysian natural rubber via third countries while on a recent visit.

Another jolting development is that Indonesia is beginning to make inroads into Malaysia's market share in some East Bloc countries.

Citing figures, Megat Junid said of the Soviet Union's total imports of 137,000 tonnes natural rubber, 96,000 tonnes came from Malaysia the

balance from other countries which shipped the commodity.

Similarly, Hungary and Poland have begun importing rubber via third countries.

Speaking to reporters after opening a seminar in Kuala Lumpur yesterday, Megat Junid said these third countries' exporters offered 180 days' credit compared with 21 days by Malaysian rubber exporters.

The East Bloc countries felt that it was cheaper and financially easier to import via this channel, he added.

Megat Junid said it was important that the government and the private sector discuss the matter if they wished to prevent the situation from deteriorating.

Commenting on Indonesia's increasing market share, he said in 1979, Poland imported 30,000 tonnes of rubber from Malaysia and 2,000 tonnes from Indonesia. However, last year Indonesia's market share was almost 10,000 tonnes and Malaysia's just 10,000 tonnes.

Indonesian exporters, who offer 180 days' credit, are backed by Bank Negara Indonesia, the central bank.

One point in Malaysia's favour was that the East Bloc nations agreed that Malaysian rubber was the best. Megat Junid felt that Malaysian exporters should utilise this to full advantage.

Megat Junid said to overcome the challenge posed by third country

exporters, Malaysia had proposed counter trade. He was pleased to note that the idea was well received.

Malaysia had offered to purchase Russian helicopters, arms and farm equipment through counter trade, he added.

The government had also offered to pay East Bloc companies tendering for local projects in commodities.

It is understood that the government is considering awarding a multi-million project to an East Bloc company under counter trade arrangements.

Malaysia should not disregard East Bloc technology, some of which is comparable if not better than that of the West.

CSO: 4200/92

\$3.3 BILLION REVENUE FROM PALM OIL THIS YEAR

Kuala Lumpur NEW STRAITS TIMES in English 3 Oct 84 p 6

[Text]

**KUALA TERENG-
GANU, Tues.** — The Government is expected to earn \$3,366 million in revenue this year from the export of palm oil, Land and Regional Development Minister Datuk Seri Adib Adam said today.

He also anticipated a considerable increase in the country's revenue from the export of the product in the years to come because of the maturity of newly-grown oil palm.

Speaking at the opening of Panji Alam oil palm factory at Bandar Al Muktafi Billah Shah in the central Terengganu region, the Minister said the palm oil industry was one of the country's main export earner since a few years ago.

Malaysia is also the world's largest producer of palm oil producing 57 per cent of the world output.

This year, another 40,000 hectares of oil palm plantation are expected to be developed. With that, the Minister said, the country's oil palm area will increase to 1,288 million hectares.

Research

Datuk Seri Adib also stressed the need for more research to find new uses for palm oil which will help to stabilise the price of the product.

He also said the opening of new areas should not be considered an important strategy in an effort to increase future production because sooner or later, the availability of land will run out.

"Therefore, efforts must be made to increase production through a more efficient system of management, elaborate research and developing a positive attitude among workers."

Research carried out by the Government has undoubtedly brought positive results. However, Datuk Seri Adib said a lot more had to be done and a number of problems had to be overcome.

One problem, according to him, was labour shortage.

He said almost all oil palm plantations in Kelantan were facing labour problems not only because of stiff competition from the development of oil-related projects, but because of the negative attitude of workers who were not keen to work in the agricultural sector.

RAZALEIGH KAPS INDUSTRIAL STATES

Kuala Lumpur BUSINESS TIMES in English 11 Sep 84 p 1

[Article by Ahmad A. Talib]

[Text] TRADE and Industry Minister Tengku Tazaleigh Hamzah accused the industrial countries yesterday of conspiring into an "unholy alliance" where they undertake programmes to look only after themselves and disregard their responsibilities to the Third World.

He stressed that the industrial countries only "fiddle" with the international trading system while the burning issues of trade malpractices rage on.

Opening an international seminar on Financing for development in Kuala Lumpur yesterday, Tengku Razaleigh said:

"Most Third World countries would not need financial aid if they were able to operate their economics under the ideal conditions of unfettered free trade.

"Regrettably, this is not the case.

"In the real world, international trade is dominated and governed by self-interest parochialism and outdated international institutions such as Gatt (General Agreement on Tariffs and Trade) which serve the interests of the industrial world more than the developing countries."

He reasoned that the basic reason for these trade malpractices was the reluctance of the industrial countries to undertake economic restructuring, especially in their industries.

The industrial countries, especially the United States, should take positive steps to move on to higher technology industries and leave the lower-technology industries to the Third World. Only on this basis of comparative advantage will the problems of financing development be solved.

The minister also accused the industrial countries of being slothful and selfish. He added that these countries have double standards; they preached that developing countries should adopt the principle of comparative advantage, but they themselves blatantly disregard it.

He said: "We are now witnessing this contradiction in the parochial approach of the US government to the textile issue. Narrow vested interests and political expediency have enabled commercial groups and lobbyists to distort and abuse the so-called US free enterprise and free trade policies, even if it means damaging the interests of the rest of the world, especially the Third World.

The US, by its current short-term and insensitive views on textiles, may well be setting a dangerous precedent and setting an unhealthy trend in a new wave of protectionism all over the world. Indeed, the US may be unwittingly putting the first nail in the coffin of the moribund Gatt negotiations.

Developing countries had increasingly turned to commercial banks for their balance of payments financing, leading ultimately to the international debt crisis now rocking the world. The solution to the crisis, Tengku Razaleigh said, could no longer be made on pure economic grounds. It is essentially an issue of North-South confrontation.

Today, interest payments account for 42 per cent of the current account deficits of the developing countries, compared with only 22 per cent in 1970. The solution lies almost wholly in the North.

He emphasised that unless the industrial countries resolve their own structural problems and generate sufficient growth, while maintaining their markets open to the developing countries, the debtor countries will not be able to service their debt through greater exports.

He concluded: "The key lesson from the present international debt crisis is that the more you borrow, the less control you have over your own economic management, because rescheduling of balance of payments difficulties result inevitably in greater interference by the lender banks and multilateral agencies on domestic policies in order to ensure that the debt is repaid.

"I must stress that financing for development becomes a problem only when an economy is dynamic and progressive. If there is no development then there is no financing required. But independent sovereign nations and especially those that have democratically-elected governments cannot ignore the development aspirations of their people.

RICE FARMING TARGET LOWERED

Kuala Lumpur BUSINESS TIMES in English 18 Sep 84 p 1

[Article by Khalid Jaafar]

[Text] The government has reduced the rice self-sufficiency target to around 70 per cent. This means that Malaysia will have to import more rice to meet the shortfall.

Under the National Agriculture Policy (NAP), the target for staple food self-sufficiency was set at between 80 per cent and 85 per cent.

Business Times understands that the Ministry of Agriculture had had a re-think and decided to lay the stress on increasing farmers' welfare rather than attaining self-sufficiency. The decision was probably influenced by the World Bank's advice that efforts at import substitution should be limited to what was economically viable. Malaysia is a high cost producer of rice.

In addition, the World Bank had argued that world food prospects do not warrant grave anxieties about food security. It was, therefore, urging high-growth countries like Malaysia to carefully evaluate their options so that they did not get locked in costly agricultural subsidies as had happened in some developed countries.

A source said: 'The area under rice will not increase. In fact some areas currently planted with padi are not suitable for the crop, considering agromomic factors like deep mud which is an obstacle to mechanisation.

'In other areas returns on rice farming is very low. This means that the farmers are being condemned forever into poverty if they are not allowed to switch to more remunerative crops," he added.

An analysis undertaken by the Asian Development Bank (ADB) of 10 countries shows that farm wages in Malaysia at about \$13.70 a day are the highest behind Taiwan and South Korea. This is a contributing factor to Malaysia being a high-cost producer.

Studies are being carried out to identify alternative profitable farming in areas where the return from padi cultivation is marginal, the source said.

He added that rice farming would in future be concentrated in areas where yield was highest. To maximise output the farmers would be encouraged to use high-yield varieties. They would also be given chemical and fertiliser aid.

Last year, only 1.82 million tonnes of padi were harvested, 14 per cent less than the 2.17 million tonnes harvested three years earlier. The decline in output was attributable to substantial reduction in area planted.

Land under padi totalled 753,000 hectares in 1979 but dropped to 655,000 ha last year, a drop of some 98,000 ha within four years.

A large proportion of idle land was because the owners were too old to work their lands while their children had moved to non-agricultural sector jobs which paid more.

CSO: 4200/92

OIL DEPOSITS AT LANGKAWI STUDIED

Kuala Lumpur NEW STRAITS TIMES in English 27 Sep 84 p 3

[Text]

LANGKAWI, Wed. — Petronas is to conduct further studies on an oil deposit found off the coast of Langkawi Island to ascertain whether there is potential for commercial exploitation.

Kedah Menteri Besar Datuk Seri Syed Nahar Shahabuddin said a preliminary report by Petronas confirmed the existence of an oil deposit in the area.

Speaking at a gathering of residents of Kampung Lubuk Setol in the mukim of Bohor near here yesterday, he said the size of the deposit could not be ascertained in preliminary investigation.

This would be revealed only after follow-up exploration operations which would determine whether there was potential for commercial exploitation of the deposit.

His hope

He hoped the exploration would have positive results to give the State additional revenue to improve the standard of living of residents of the island.

Financial constraints due to the economic recession, he added, had caused several projects for the island to be shelved but the Government had managed to attract private sector investments with the proposed development of a tourist resort at Tanjung Rhu.

Datuk Seri Syed Nahar urged residents of the island to seize the opportunities generated by private sector projects on the island.

He also called on the residents to maintain unity and to beware of the propaganda of an opposition party.

The opposition party, he said, had taken advantage of the economic situation to instigate the people to turn against the Government. It was alleging that the Government had deferred projects because of indifference towards the sufferings of the people.

The Menteri Besar also said that the Communist Party radio, which had a clandestine station near the island, was using a group of Malay university dropouts in its broadcast programmes. — Bernama

BRIEFS

GERMAN BUILT FRIGATES--[Pictured] is one of two FS 1500 light German frigates ordered by the Royal Malaysian Navy (RMN) anchored off Kiel. The frigates, constructed at a cost of \$200 million each will, upon their commissioning in June last year, join two existing British-built frigates--KD Hang Tuah and KD Rahmat. This will increase the RMN's blue water combat capability which in the past has been dependent on the Fast Attack Craft Squadrons. The light frigates are expected to leave next month for home. Six other ships consisting of four minesweepers and two off-shore patrol vessels are also under construction in Italy and South Korea as part of the \$1.3 billion fleet modernisation programme. In May this year the wife of the Deputy Defence Minister, Tunku Marziah Tunku Mustapha, and the wife of the Armed Forces chief, Puan Sri Norziah Onn, launched the two frigates at Kiel. The two ships, each weighing 1690 tons, have been named KD Kasturi and KD Lekir. Each will have a complement of 148 officers and men. Both vessels will have 100 mm rapid firing as well as anti-aircraft guns and missiles. These are the first two ships that Malaysia has ordered from West Germany. [Text] [Kuala Lumpur NEW STRAITS TIMES in English 19 Sep 84 p 3]

CSO: 4200/93

SOCIALIST UNITY PARTY ON LABOR CONFERENCE, GOVERNMENT

Concern on Economic Policy

Auckland NEW ZEALAND TRIBUNE in English 17 Sep 84 p 1

[Text]

THE Labour Party Conference was billed by the media as a "Victory Conference", but in fact was both a celebration and a workshop on the problems of politics and government. Both the Parliamentary and the organisational leadership have identified the need to establish Labour as a long-term government.

The record attendance underlined the enthusiasm which has developed within Labour. This enthusiasm must be tempered with care if the Party is to avoid splits on policy now that it occupies the Treasury benches.

Democratic accountability in the Party structure was strengthened by some constitutional reforms and there were calls for greater cultural and sexual equality.

However, the main conference debates were over economic and foreign policies.

On economic policy the body of the Conference was clearly concerned about the direction of the new Government. Union speakers especially drew attention to the dangers of the 'more-market, open-economy' approach. This debate will clearly continue throughout the new Government's term of office.

The foreign affairs resolutions attracted great media attention.

There was a strong anti-nuclear, peace majority which overwhelmingly carried resolutions on ANZUS, the Philippines and militarism in general.

The Conference elected its first woman president, Margaret Wilson, unopposed.

Other votes generally supported progressive candidates, and union involvement in the Party was strengthened. ■

Consensus Approach Offers Unity

Auckland NEW ZEALAND TRIBUNE in English 17 Sep 84 p 1

[Editorial: "Widening Unity Essential for Peace"]

[Text]

IT is clear that the new Labour Government's consensus approach has given working people permission and energy to organise.

The Summit, the conference of unemployed groups from all over the country, the Maori

hui at Ngaruawahia, the continued organisation of the trade union movement against voluntary unionism and the continued wage freeze, the rising indignation at American interference in our new Government's peace policies and the Labour Party Conference which gave strong support to all of these groups, shows the widening unity of the New Zealand working class.

Ken Douglas warned at a large meeting of trade unionists and unemployed workers in Auckland that the employing class will begin to organise against this working-class unity.

"We must recognise that international capital doesn't accept the democratic decisions of people—look at Allende in Chile, Whitlam in Australia," he said.

The trade union movement has been building unity for the past eight and a half years against the anti-union policies of the last government.

It is important that this base continues to widen to include the peace movement. We must turn indignation at American interference into a strong people's movement around the peace policies of the Labour Government so that actions taken against them will be seen as actions against our class and our country as a whole. ■

NUCLEAR SHIP BAN, ANZUS MEMBERSHIP DEBATE CONTINUES

Congressman's Remarks Spark Reaction

Auckland THE NEW ZEALAND HERALD in English 21 Sep 64 pp 22

[Text] Remarks by an American congressman that New Zealand's stance on nuclear-powered warships and Anzus could jeopardise this country's international dairy trade brought loud and long reactions from many quarters yesterday.

But the Opposition failed to force a snap debate in Parliament on the matter, raised in a newspaper report of comments made by Congress Kika de la Garza, of Texas, chairman of the influential Congress Agricultural Committee.

The Prime Minister, Mr Lange, dismissed the Washington report as "absolute rubbish."

The former Minister of Foreign Affairs, Mr Cooper, MP for Otago, applied in writing to the Speaker of the House for a snap debate.

The Acting Leader of the Opposition, Mr McLay, told reporters that what the American congressman said would, indeed, happen.

A Federated Farmers dairy section spokesman, Mr Bruce Tolley, said this country stood to gain nothing from allowing trade problems to intrude in Anzus matters.

And a paper on the Anzus alliance was left out of Foreign Affairs briefing papers released by the Prime Minister.

Mr Lange flatly denied the existence of a secret United States-New Zealand treaty which might be threatened by the Government's anti-nuclear stance.

The Texas congressman was reported as saying that such an agreement, by which the United States consulted New Zealand over the sale of surplus dairy products, had now expired.

However, Mr Lange said the agreement to consult was not secret and had not expired. It had been discussed openly early this year when the United States had proposed to sell 4000 tonnes of dairy products to Jamaica.

Neither was there any connection between the agreement and the Anzus Treaty, said Mr. Lange.

He strenuously denied suggestions that trade protectionists in the United States would be able to put economic pressure on New Zealand in retaliation for a ban on visits by nuclear vessels.

In his letter to the Speaker, Sir Basil Arthur, Mr Cooper asked that Parliament adjourn to debate "the immediate threat to the dairy industry raised by the nuclear warships ban and its impact on the attitudes of Congress".

The Speaker, Sir Basil Arthur, said the American congressman's statement was a particular case of recent occurrence, but the Government had no ministerial or administrative responsibility for the remarks.

Therefore, he said, there was no cause for an adjournment under standing orders.

Mr. Tolich, of Federated Farmers said reports that Anzus warships were linked to trade access to American markets were long on suggestions, but short on economic realities.

Mr Lange explained why the documents concerning Anzus were kept back.

In a statement accompanying the foreign affairs briefing, Mr Lange said the Government was under an obligation to ensure that material given to it in confidence by another government, or which could prejudice New Zealand's relations with other countries, was protected.

"Accordingly," he said, "I have decided that parts of these briefing papers, together with a separate paper prepared by the Ministry of Foreign Affairs on Anzus, cannot be released."

Women's Council Opposes Nuclear Visits

Auckland THE NEW ZEALAND HERALD in English 21 Sep 84 pp 11

[Text]

NZPA Gisborne

The National Council of Women wants the Government to discourage the visits of nuclear-powered and nuclear-armed ships and submarines to New Zealand ports.

Putting forward the motion at the NCW conference in Gisborne, the Auckland Branch said that the

Government had stated its commitment to the elimination of nuclear testing, nuclear weapon proliferation and the establishment of a nuclear weapon-free zone in the South Pacific.

Forum

Ways of achieving this had been discussed by the Government at South Pacific Forum meetings and further discussions would be held at the forum meeting in Vanuatu this year.

Some delegates felt that nuclear power might well become the preferred power for ships. But another delegate said that nuclear-powered ships were enormously expensive and it was unlikely there would be development in that direction with trading ships.

Why?

"How can you separate nuclear power from nuclear development?" asked another delegate.

"All over the United States, nuclear power-plants are being closed down because of the leak-

age of nuclear waste," the secretary of the World Federation of Methodist Women, Vera Dowse, told the conference.

"Why are they doing this if nuclear power is safe?"

She said she was against any amendment to omitting "nuclear power" from the remit.

In contrast, a delegate for Solo Parents said it was likely that the United States could cut agricultural deals with New Zealand if nuclear ships were prevented from coming to New Zealand ports.

But another delegate said: "Many people in Europe and the United

States envy us our isolation and our ability to say yes or no to nuclear power."

The National Council of Women president, Dorothea Hamman, of Dunedin, was elected for a second term at the conference.

Other officers elected were: vice-presidents, Jocelyn Fish (Morrinsville), Laurie Salas (Wellington); secretary, Janet Hesketh (Wellington); treasurer, Stella Casey (Auckland); board, Pruey Koun (Gisborne), Alison Rimburch (Nelson), Ruth Wylie (Wellington).

Opposition MP Cites U.S. Concern

Auckland THE NEW ZEALAND HERALD in English 21 Sep 84 p 5

[Text]

American naval commanders were as concerned about world peace as any New Zealand politician, the Opposition MP for North Shore, the Hon George Gair, told Parliament last night.

Because his electorate was the home of Auckland's naval base, Mr Gair said he made a point of going on-board every nuclear-powered vessel that visited.

"I have talked at length with many of the young men who command these vessels and they are as concerned about the preservation of world peace as anybody else in this cham-

ber," he told the House.

Mr Gair said the anti-nuclear policies being pursued by the Labour Government were threatening a special relationship that New Zealand had forged with the United States.

It had taken more than 30 years to build up the strong links between this country, the United States and Australia.

"We tamper with this at our peril," said Mr Gair.

New Zealand got better access to the United States for some of its products than other countries and now had a relationship which had taken years to

build and would take only months, even weeks, to destroy.

"Would the Prime Minister (Mr Lange) bear this in mind when he negotiates with his opposite numbers in the United States?"

Mr Lange leaves tomorrow for the United States, where he will discuss his Government's anti-nuclear stance with the American Secretary of State, Mr Shultz.

Speaking in the address-in-reply debate, Mr Gair said New Zealand was being seen, as a result of the new Government's policies, to be taking an abrupt change of direction.

Opposition Debate Bid Fails

Auckland THE NEW ZEALAND HERALD in English 22 Sep 84 p 5

[Text]

The Opposition failed yesterday in a bid to have Parliament hold an urgent debate over what it termed the "very distinct threat" to the Anzus treaty posed by the Government's anti-nuclear policies.

But the Prime Minister, Mr Lange, gave the House an assurance that a major debate on foreign affairs would be held when he returned from his world trip.

The attempt to hold the debate came on the eve of Mr Lange's departure today for the United States, where he will discuss the nuclear ships issue with the American Secretary of State, Mr Shultz.

The Speaker of the House, Sir Basil Arthur, ruled that the application for the House to adjourn to debate the matter had come to his attention too late to be granted.

He received the application from the senior Opposition whip, Mr Don McKinnon, at 9.10 am — 20 minutes before the House began its business for the day.

But Parliament's standing orders prescribe that such an application must be lodged "at least one hour or such less time as may be allowed by Mr Speaker."

The National Party sought the adjournment after an article appeared in the Wellington morning newspaper, the Dominion, in which an American congressman said the United States could not afford to let New Zealand maintain a ban on nuclear ships while remaining a member of the Anzus alliance.

Mr McKinnon said it was

a matter of urgent public importance and posed a very distinct threat to the Anzus treaty.

After Sir Basil told the House that the application did not comply with standing orders, Mr McKinnon said that at 8.30 in the morning "one does not find people in the Speaker's department to pass it on to."

There had been a need to check on some material before composing the letter, he said, and that material was not available at 7.30 am in order to get the letter to the Speaker by 8.30.

Mr Lange said that the Opposition could have had access to the newspaper article as early as 3.30 am, and that the news item had been on the radio news at 6.30 am.

He said to Sir Basil: "Your ruling ought not to be in any way compromised by the failure of the Opposition to get that into the House in the appropriate time. They had an abundance of opportunity to do so and they failed."

In reply to a request from the Acting Leader of the Opposition, Mr McLay, Sir Basil said he would consider previous cases where late applications had been made to debate matters of public importance, and give a ruling.

Mr Lange stated that

when he returned from his overseas trip there would be a lengthy debate in the House on foreign affairs, which, he added, would be the first such debate for six years.

Mr Lange's scheduled talks with Mr Shultz were a foremost topic for discussion when parliamentary business got under way yesterday.

MPs on both sides of the House wished the Prime Minister well.

Mr McLay said it was a "vitally important" trip that came at a time when relations between the two countries were strained.

The Deputy Prime Minister, Mr Palmer, also extended his best wishes to the Prime Minister, while Mr Ian McLean (Nai-Tara-vera) presented a notice of motion in which he said the National Party strongly criticised Government policies which threatened peace, Anzus and trade.

But he added "At the same time this House assures the Prime Minister that it wishes him every success for New Zealand as a result of his visit and, in particular, that progress may be made towards effective nuclear disarmament, a stronger Anzus alliance and closer trading relationships with the United States."

Letter Cites Voter Support on Review

Auckland THE NEW ZEALAND HERALD in English 20 Sep 84 p 16

[Letter from "D.H.", in Whangaparaoa]

[Text] Sir.—That there is widespread concern in New Zealand over Anzus was demonstrated clearly by the support of more than 60 per cent of voters for three parties which made some review of Anzus a plank in their political platforms.

It cannot be claimed that it is exclusively the "left wing" who are unhappy about Anzus, when New Zealand Party and Social Credit members are calling for review of the treaty.

Could it be that the National Party is out of step with the majority of New Zealanders on this question?

Paper Views Costs of Policy

Wellington THE EVENING POST in English 21 Sep 84 p 6

[Text]

A Pentagon memo traditionally sent to the Government every December could prove to be the crunch point in the Anzus-nuclear impasse.

The memo simply seeks a clearance from the Government for American warships to visit New Zealand sometime in the following year.

Traditionally, the Government has responded with a simple "yes," so allowing the United States Navy to plan the following year's schedule of warships to this part of the world.

If there is no memo this year, then it would seem that New Zealand will have won its case with minimal effort. However, "Post" sources have indicated that the memo can be expected this December.

Under the Government's existing policy a "no" response seems to be the sole option open.

React

This is because all US warships (whether conventionally or nuclear powered), like those of the other nuclear powers, Britain, the Soviet Union, France and China, are capable of carrying nuclear weapons. It follows that all warships from these countries will be banned from New Zealand ports in future.

How will the US react to a "no" response to have warships call here next year?

Paradoxically, a number of sources now working on these questions believe that in fact New Zealand will face a tougher time from Australia, the third partner in Anzus, than from the US.

By December, when the Pentagon memo seeking ship visits next year is delivered, elections will be over in Australia and the US.

There will be more freedom on all sides either to toughen the opposition against New Zealand's stand or to agree to negotiate a concession, one which allows New Zealand to stay in Anzus but ban nuclear ships and weapons.

Reports from Canberra reflect a number of concerns in that country.

There is political concern that if Mr Lange is successful in banning nuclear ships, then the Labour "Left" will come together to push the Hawke Government.

However, there is a genuine concern over what it implies for Australia's own strategic and intelligence gathering policies.

A key Australian consideration is agreeing to the CEH trade treaty centred on strategic considerations. And last year, New Zealand and Australia signed a defence memorandum on closer defence logistic co-operation.

As the defence department's annual report states: "In the spirit of co-operation in both defence

and economic relations the (defence co-operation) agreement aims at strengthening the two countries' respective defence capabilities through the development of a common industrial support base reflecting the concept that the two countries constitute a single strategic entity."

The Australians have expressed concern that a destabilised defence relationship, as they see it, would leave New Zealand outside the so-called "inner club" of nations privy to vital intelligence information on Soviet and other potentially hostile activities in this part of the world.

Access

It is well documented that as few as seven countries (Britain, Canada, Australia, New Zealand, France, and Western Germany) have access at this level.

If friendly nuclear vessels, especially submarines, couldn't access New Zealand waters, the New Zealand Navy would be unable to track the less friendly variety without considerable upgrading of satellite and other sensor communication systems.

At the moment, the Anzus link fills that capability. Without that information, Australia's eastern flank would be exposed, on the view.

Some experts argue, however, that it is just because of this sort of consequence that the US and

Australia will, at the right time, make concessions to New Zealand's new policy.

That is, our reading of the Anzus nuclear impasse is that the consequences of forcing New Zealand out of the traditional alliance could be far more damaging to Australian and American interests than taking steps to redefine the defence relationship to allow New Zealand's non-nuclear stance to prevail.

The *quid pro quo* for New Zealand, however, could be that it may have to accept its defence commitment as the cost of staying in Anzus on defined terms.

It is known that in the war, New Zealand upgraded its defence capability to make defence, especially in the conventional sense, for a large expense of the south-west Pacific quadrant — roughly from Fiji south to the Antarctic.

The 1983 Defence Review recommendations were in effect made to accommodate such a role.

As the defence department annual report, tabled in Parliament this week, has put it: "the review focused on the only realistic and feasible option available to New Zealand."

land

This is that "the deterrence of any low-scale direct threat through the demonstration of a self-reliance ability to detect the approach of danger and a will to hit any hostile force before it arrives."

Fully

Obviously, to do this job fully, intelligence gathering facilities, the "ready reaction" island strike force, and upgraded technology for the navy and airforce would have to be provided. A review of the Review is underway by the new Government.

However, it is clear that a redefined and valuable defence role (to both Australia and the US) could be played by New Zealand in conventional warfare terms without nuclear warships coming here.

The defence annual reports, tabled in the name of the previous National minister, Mr Thomson, states that New Zealand is not a nuclear power and does not become one by association with nations that are "Anzus is not a nuclear alliance. To suggest otherwise is nonsense," the report states.

The reports note that under the terms of Anzus, the US respects New Zealand's sovereign stance, by signing the Non-Proliferation Treaty, not to become a storage base for nuclear weapons.

This stance was a basic tenet of New Zealand's foreign and defence policies.

Right

In effect, the Labour Government is seeking negotiations (leading to a concession) by the US to also recognise this country's sovereign right to extend its non-nuclear stance to include nuclear propulsion and weaponry, and still stay in Anzus.

In return, New Zealand would actively support Anzus, a conventional warfare defence treaty, by agreeing to a redefined defence role that upgrades the commitment to gather intelligence and keep an eye on the south-west Pacific quadrant.

This will keep the allies happy, but it might, in the long run, cost taxpayers a few million more.

But then it's the taxpayers who don't want the nuclear warships and weapons.

DEPUTY OPPOSITION LEADER SELLS VOTE CONFIDENCE IN LAURENCE

Auckland THE NEW ZEALAND HERALD 1st Edition 10:50 PM 10/10/1951

[Text]

Wellington

Voters would not reject the National Party until they saw the party had changed, the Deputy Leader of the Opposition, Mr McLay, said yesterday.

The greatest mistake National could make would be to tell New Zealanders they made a mistake electing Labour and

to try to justify all the policies the former Government pursued, Mr McLay said in a speech to the Young Nationals in Dunedin.

"The blunt truth is that we lost. Labour — which had been virtually level pegging with us in the opinion polls throughout the year — outshone us

in virtually every aspect of the campaign.

"They tossed our
bids.

"What we have got to say to the New Zealanders who have gave us that result is that we were listening to what you said and that we heard yes. We must not and will not tell New Zealanders they were wrong."

"Father, we must

spend our time finding out where we went wrong — what our mistakes were."

Mr. McLay said Newman's beliefs in democracy, free competitive enterprise, freedom and the rule of law had been proved in practice.

Now the party had to formulate new policies from those beliefs.

ANDERTON-LANGE RIFT WIDENS AFTER TRANSTASMAN TRIP

Auckland THE NEW ZEALAND HERALD in English 18 Sep 84 p 5

[Text]

The rift between the Prime Minister, Mr Lange, and a Government backbencher, Mr Jim Anderton, widened yesterday as controversy continued over the Sydenham MP's transtasman trip late last week.

Mr Lange said Mr Anderton, a former party president, had failed to get permission to travel to Australia to appear on a television programme.

The Prime Minister said he was neither annoyed nor happy about Mr Anderton's trip.

"I am completely impassive about these matters but the fact is that if MPs go abroad they approach me and they get leave for that period, and I am awaiting that approach," said Mr Lange.

Mr Anderton appeared on what Mr Anderton himself describes as a "light science fiction-cum-political" programme, during which he repeated the Government's policy of banning

visits of nuclear vessels to New Zealand ports.

Sensitive

Mr Lange said on Friday that he himself had refused to take part in the programme because it dealt with sensitive defence issues.

Asked whether he would have allowed Mr Anderton to go, Mr Lange said this would have depended on what he was told about the programme.

The attention of caucus members would be drawn to the rule that MPs notify the Prime Minister of their intention to travel abroad.

Tiresome

"We have had a week of considerable achievement, compared to which the transtasman peregrinations of the member for Sydenham are of, in my view, no moment," said Mr Lange when pressed on the issue.

Last night Mr Anderton said it was "a bit tiresome" to receive communications via the press.

He said he had written instructions from the Government whips that MPs had to get permission to leave between Tuesday and Thursday, when they were required for select committee sittings.

His had been in Sydney on Friday and Saturday, when he had returned to Christchurch.

Bit Odd

While there had been a suggestion that backbenchers had been told they had to get blanket permission for overseas travel, Mr Anderton said this had not been put in writing, and he could not recall its being said.

He said the need for such blanket approval for overseas travel seemed "a bit odd," and he would ask about it when he returned to Wellington today.

Mr Anderton said he did not know Mr Lange had been asked to go on the programme, but he (Mr Anderton) had been asked, as a former president of the Labour Party.

ABRA GOVERNOR CRITICIZES 'INSTANT INDUSTRIALIZATION' SCHEME

Kuala Lumpur BUSINESS TIMES in English 19 Sep 84 p 21

[Article by Abe P. Balena]

[Text] A GRAND plan to implant "instant industrialisation" in a backward province has turned out to be a billion-peso fiasco.

The Cellophil Resources Corporation (CRC) was conceived to be a major breakthrough in building a giant industrial complex where there was none. In the mid-'70s, the Herdis group of companies in the name of CRC and a sister corporation, took over 200,000 hectares of virgin forest in the Northwestern Cordillera mountain ranges. They virtually laid claim to one-fourth of the total land area of Abra, an impoverished province in Northern Luzon.

The idea was to log out pine trees from their concession area, transport these by road and through the Tineg River by flotation to the company's pulp processing plant near the capital town of Bangued. There the raw logs were supposed to be converted into pulp paper for use in packaging by local and foreign manufacturers.

Herdis sank in 2 billion pesos (about M\$255 million) in foreign loans guaranteed by the government, according to company officials. By 1978 Cellophil should have been fully operational. But that was not so.

Because of a controversy implicating the head of Herdis, Herminio Disini, the government-owned National Development Corporation took over Cellophil. Herdis is the acronym of Mr Disini whom the opposition has described as a 'crony' of President Marcos. He is now in Europe, according to the opposition.

Opposition

During his recent inaugural address, Abra Governor Andres Bernos called the Cellophil project a "fiasco." It was the first public admission by a government official of Governor Bernos' stature that the project has failed.

Exactly a month later, at the end of July this year, Cellophil officials announced a partial shutdown and dismissed most of the employees working in

the pulp processing plant. Only the loggers were spared. But then, two logging sub-contractors backed out due to bad roads in their sectors while a third suspended operations after the ambush of one of his trucks and the burning of logging equipment reportedly by the dissidents.

"We welcome industrial projects in Abra but Cellophil officials made a lot of miscalculations since the beginning," Governor Bernos said. He said that foreign consultants who made the feasibility study for Cellophil failed to test if Abra pines floated downriver before recommending log transport through flotation. When actual operations started, the pines sank.

Another big blunder was their taking for granted the reaction of residents of upland villages within the concession area. The minority tribes woke up one morning to find their ricelands, communal forests, watersheds and grazing grounds within Cellophil's logging concession. This triggered bitter opposition which was taken advantage of by New People's Army (NPA) organisers in Abra. A few years after Cellophil started operations, Communist guerillas emerged in Abra. NPA is the military arm of the outlawed Communist Party of the Philippines.

One top of these, machines in the mill failed to produce quality pulp that could meet international standards. As a result, orders were cancelled and the company faced a bleak future.

But Cellophil management did not immediately admit the failure of its pulp processing plant. Instead, it got a special permit to export raw logs at a time when the government had imposed a logging ban nationwide.

Small Projects

Yet again, sub-contractors, hired to do the logging for Cellophil, could not meet their quotas. During the first half of this year, company officials admitted they were losing an average of 5 million pesos (US\$639,000) a month or 30 million pesos (US\$3.9 million) in only 6 months.

Political leaders in Abra saw Cellophil's losses as too big a waste of government funds in a province whose yearly budget was equivalent to the firm's losses in only two months.

"If the company's initial investment of 2 billion pesos and its accumulated losses since it started operations would have been used in support of small scale projects like irrigation systems, cottage industries, agricultural productivity, social and health services, the government would have touched the lives of all its over 150,000 Abra inhabitants," Governor Bernos pointed out.

Penetration by NPA rebels of villages in upland Abra has likewise been blamed on the company. Since its establishment, Cellophil has been one of the prime targets of dissident harassment.

Whether it will eventually fold up or resume full operations, the Cellophil is perceived in Abra as a costly blunder in economic development. For years, if not generations, its ill effects will be felt by Abra residents. As one provincial official who requested anonymity said, "There will be no love lost if Cellophil will eventually fold up."

CSO: 4200/90

DEMONSTRATORS CONTINUE URGING SIN TO MARCH

Quezon City ANG PAHAYAGANG MALAYA in English 7 Oct 84 pp 1, 2

[Text] Jaime Cardinal Sin, who on at least two occasions in the past five days has called on the faithful to join the "parliament of the streets, is being asked by his flock whether or not he intends to practice what he has preached.

At least three letters from readers reached Malaya yesterday, asking the same basic question in the light of President Marcos' threat that demonstrators and leaders of rallies without permits--including the massive one at the Welcome Rotonda today--would be arrested and charged in court.

A reader's suggestion that the Cardinal join rallyists in the streets was published by Malaya two days before Marcos aired his threat.

Jo P. San Jose, a member of Tito Guingona's consumer protection movement, Sandata, bluntly asked the Cardinal: "March with us. If not now, when?"

The same sentiment was expressed in another open letter addressed to the Cardinal: "How about joining the rallies yourself, Cardinal Sin?"

Pointing out that all Filipinos, "even Marcos' soldiers," respect the country's highest ranking cleric, the letter writer said "there is a great possibility that even the soldiers, upon seeing you with the demonstrators will finally realize how wrong they are in defending a system which also oppresses them and their families."

"In short, your call will be more credible and effective if Filipinos see you really following it yourself. Furthermore, your presence in the front-lines could be the decisive factor in really isolating and dismantling the Marcos regime," the writer said.

CSO: 4200/90

COLUMNIST REPORTS LOCAL ROLE, STRENGTH OF KMT

Quezon City ANG PAHAYAGANG MALAYA in English 8 Oct 84 p 3

[Article by Jake Macasaet in "Business Views": "KMT Never Say Die"]

[Text] The embassy of the People's Republic of China tendered a big party on Sept. 24 to welcome the new Chinese ambassador to the Philippines and to celebrate the Oct. 1 liberation day. The big bash, held in a Chinese restaurant in Binondo, was attended by thousands of Chinese businessmen.

My source in Chinatown who is obviously against the Kuomintang Party, informed me that the intelligence community in Taiwan insisted on making a list of those who attended the party given by the Reds. The list, my friend said, was made in spite of the objections of the "ambassador" of Taipei to the Philippines.

Long before the Philippine government established diplomatic relations with Peking, the Kuomintang Party in the Philippines has been drawing up a list of those it believes are sympathetic to the communists. People whose names are in the list were invariably denied visa to Taiwan.

The list drawn up from those who attended the Sept. 24 party, my friend told me, is unusually long. It includes popular names in the business community. If the intelligence community in Taipei is allowed to have its way, those who are in the list will never be allowed to go to Taiwan. But my friend said that the Taiwan emissary in Manila is against such a ban, particularly because of the effects on Taiwan Chinese of the deal that was recently concluded between the government of Great Britain and the China leadership regarding Hong Kong.

The Kuomintang Party is said to be strongest in the Philippines among all the countries where there are Chinese communities. The KMT is basically a business-oriented political party, although it is said to have been very heavily involved in the criminal pursuits of Tu Yueh Sen before China fell into the hands of the communists under the late Mao Tse Tung in 1949.

It is regrettable that the Philippines which shelters a large Chinese population but without diplomatic relations with Taiwan is being used as a battle ground between the KMT and the government in Peking, in the same manner that the pro-Khomeini Iranians in the Philippines were openly striking against those sympathetic with the late Shah.

It does not seem enough for the Kuomintang that its members are making huge profits--subsequently illegally repatriated to Taiwan through the blackmarket--in all kinds of business in the Philippines. It also has to show the government in Taipei that it has not given up the fight against the communists.

In this connection, it would be interesting to know the faces who would be seen in the annual party on October 10 to be given by the Kuomintang. More interesting will be the names of Filipino-Chinese members of the KMT who would once more troop to Taipei to swear allegiance to its government.

The members of the KMT in the Philippines swear such allegiance every year in spite of the fact that many of them have become Filipino citizens by naturalization. They seem to have double citizenship, although the renunciation of allegiance to the former country required by Philippine laws of all foreigners who desire to become Filipino citizens, technically prohibit such dual citizenship.

The continued allegiance to the government in Taipei is obviously a business decision. In fact, the key leaders of the KMT in the Philippines are known to have their own commercial bank in Taiwan. This bank was obviously capitalized with funds earned in the Philippines.

If the repatriation of such funds to form the bank was not authorized by the Central Bank, the government should study the legality of bringing the hundreds of millions of dollars owned by Filipino-Chinese in that bank back to the Philippines. At least the owners of the money should be required to deposit part of it in Hong Kong so that it may be traded openly in the so-called "Binondo Central Bank."

This plan should be acceptable to the Filipino-Chinese owners of the Taiwan bank, considering the huge peso profits that they stand to make. If I know them, they will later on convert the peso profits into dollars to be brought back--once more--to Taiwan or some other safer places.

CSO: 4200/90

LABOR MINISTER'S REMARKS HIT MARCOS, TECHOCRATS

Quezon City ANG PARIYAGANG MALAYA in English 10 Oct 84 p 4

[Editorial: "Ople's Revelation"]

[Text] Minister of Labor Blas Ople did a Tolentino although on a minor scale, when in his speech at the opening of the 3th ASILAP Labor Minister's meeting the other day, in reference to the Philippine situation, he declared that "no regime of discipline and authority can succeed without the support of the people, many of whom have started to feel that they must now pay for past mistakes in which they played no part."

Saying there is no substitute for "open democratic debate," Ople cited the hiked travel tax and the increased motor vehicle registration fee decrees issued by President Marcos under the controversial Amendment No. 2 where, the labor minister said, the views of other government officials were not taken into account. He blamed the government technocrats for the promulgation of the two decrees, declaring the people were not given a chance to ventilate their views.

These blunt remarks are clearly a back-handed slap against the arbitrary manner in which the Marcos government relies solely on the technocrats in the making of economic policies.

At the height of the controversy following the discovery of the secret issuance of the two decrees, Prime Minister Virata, Deputy Prime Minister Rono, and other government apologists claimed that the travel tax and motor vehicle registration decrees had been discussed and approved at a KBL caucus.

Minister Ople has now categorically and publicly denied this claim, thereby virtually calling Virata, Rono and the other apologists liars.

Of course, it is an open secret that ministers like Messrs. Ople and Jose Aspiras have been outspoken against the manner President Marcos has allowed the technocrats to dictate on economic policies without the approval of the KBL majority party.

The Ople revelation explains why the nation's economy is in the terrible mess it is today and why the people are taking to the streets.

WRITER DEMOUNCES U.S. ROLE IN TORTURE TRAINING

Quezon City /ANG PARIYACANG MALAYA in English 11 Oct 84 p 5

[News analysis by Atty. Procopio S. Beltran, Jr., in "Of Laws and Men":
"Transfer of (Torture) Technology"]

[Text] The recent convention on the rehabilitation of torture victims sponsored by the Medical Association Group (MAG) and the Free Legal Assistance Group (FLAG) was quite revealing.

There are two Danish health officers and one Chilean psychologist who shared with the participants important matters relating to torture of detainees and prisoners in other countries.

The most intriguing part was when the Chilean psychologist showed the participants some photo slides of the methods of torture done in his country and other Latin and South American countries. The methods of torture include the "dry submarine," the "wet submarine," the electric shock on genitals and mouth, the cold isolation, the cigarette burnings, repeated beatings by rifle butts and pieces of wood, etc.

The pattern of torture seems to indicate that repressive regimes employ torture on the hapless civilian population of underdeveloped nations like Chile, El Salvador, Uruguay, Brazil, Honduras, Peru, etc. These countries have direct military ties with the U.S. government.

What intrigued me is that based on my interviews with the various torture victims whose cases are being handled by FLAG, the aforesaid methods are also being done in the Philippines. So I ask the following questions:

1. Is there an outside party, who is orchestrating the moves of the torturers?
2. Is there a network by which effective torture methods may be passed on to torturers?

My questions are answered by Messrs. Noam Chomsky and Edward Herman in their book, "The Washington Connection and Third World Fascism," published in 1979. The authors noted that:

The U.S. trains elite military personnel in some 150 bases and training schools, and sends some mobile units and advisers to serve on in-country bases. This training has placed great weight on ideological conditioning.

Four weeks later the Far Eastern Economic Review, in its March 30, 1981 issue, observed that almost all of the senior officers have studied in the U.S. and that around 170 officers and men go to the U.S. each year for advanced training in the International Military Education Training scheme.

In the Philippines, according to the Task Force Detainees publication Trends, in many cases, military officers directing torture have been trained in U.S. military schools as part of the annual package of military aid given the country under the US-MF Military Assistance Pact.

Such training has even become cause for pride among ranking military intelligence officers. In 1979, when former US Attorney-General Ramsey Clark came to the Philippines and visited the AFP Intelligence Service headquarters in Camp Aguinaldo, Quezon City, then Commanding Officer Col. Pedro Balanero (now a Brigadier General) was confronted with torture equipment found in the place. The unabashed officer was quoted as informing Clark that he had learned the techniques in Fort Bragg and other key military training schools in the U.S. (Trends, January to June 1981, page 14).

With the above mentioned facts, I am not surprised if the "parliamentarians of the street" and an increasing number of the silent majority who are joining them are demanding the dismantling of the U.S.-backed Marcos dictatorship.

END

BANK, FINANCE FIRM EMPLOYEES PROTEST IMF IMPOSITIONS

Quezon City ANG PALAYAGANG MALAYA in English 10 Oct 84 pp 1, 8

[Text] Some 400 employees of banks and finance firms staged an hour-long picket in front of the Central Bank officers on F. B. Harrison yesterday.

The pickets, members of the Financial Intermediaries Society Against Tyranny (FIST), are protesting the alleged impositions made by the International Monetary Fund (IMF) on the country's economy, specifically in the area of bank mergers and consolidations.

The group claimed that one of the conditions set by the IMF for approval of the \$650-million standby credit is bank mergers or consolidations.

A FIST spokesman, who refused to be identified, said if such condition is met, many employees in the banking sector will be disenfranchised.

The group demanded that if bank mergers are inevitable, employees should be given job security.

A leaflet distributed by the pickets stated that bank mergers and consolidations fit well into the IMF design to gain greater control of the Philippine financial system.

In a dig at the CB, the leaflet further stated:

'The role of the CB is to translate IMF programs for the Philippine economy into fiscal and monetary policies that could effectively facilitate and legitimize the entry of more foreign investments in the country.'

It said that by facilitating bank mergers and consolidations, the CB lays the groundwork for big foreign banks to dominate the banking industry, ease out small Filipino bank entrepreneurs, and effect the layoff of thousands of bank employees.

ILOCOS MAYOR CONFESSES NPA RELATIONSHIP

Quezon City ANG PARAYAGANG MALAYA in English 12 Oct 84 pp 1, 8

[LAOAG CITY--A municipal mayor in Ilocos Norte province sent shock waves throughout Marcos Country recently when he surrendered to Ilocos Norte vice governor Roque Ablan Jr. and confessed his links with the underground movement.

Mayor Lorenzo Santos of Dumalneg town near the Ilocos Norte--Kalinga Apayao boundary admitted his being a ranking leader of the New People's Army.

Surrendering through his close friend Rafael Teenerito, town mayor of Pagudpud, Santos said he operated under the nome de guerre "Supremo Lory" and "Supremo Santos."

Military authorities said they previously received reports that the NPA leader who answered to the name of Supremo Lory and Supremo Santos was one-eyed. Santos' being blind in one eye raised strong suspicion that he and the wanted NPA leader were one and the same person.

Military sources added that at least five rebels previously captured by military units have implicated the Dumalneg town mayor in their underground activities.

Santos told Malaya he decided to surrender after fears were raised for his safety and that of his constituents.

Dumalneg and other towns in the northeast boundaries of Ilocos Norte and Kalinga Apayao have been declared critical areas following repeated encounters between government troops and NPA units.

Santos' admission elicited various reactions in the province.

Prior to his admission, Santos was known for his being a so-called Marcos loyalist. He was also an active member of the pro-administration Ilocos Norte League.

Santos' links with the NPA confirmed long-standing suspicions that dissident elements have infiltrated top level political circles in remote Ilocos Norte towns. Military authorities, however, contend that the underground movement has not yet established a mass base in the province. They admitted though, that some barangays especially in the border towns have been infiltrated by the NPA.

DAVAO MARINE COMMANDER SEEKS TALKS WITH NPA

'Not All NPAs Are Bad'

Davao City THE MINDANAO DAILY MIRROR in English 2 Oct 84 pp 1, 9

[Text] "Not all the NPAs are bad. Let's just say that most of them have been blinded by the ideologues in their midst--those who have embraced communism as a way of life."

That statement was made Sunday by Col. Rodolfo Biazon, 3rd Marine Brigade commander in a dialogue with residents and officials of barangay Marilog and sitio Upper Baniwayan, Malamba, Baguio district.

The dialogue for peace was participated in by about 400 residents who were reminded by Biazon that "where there is no 'gulo' (trouble) there is no need for the bullet." He urged the people to help encourage members of the New People's Army (NPA) to surrender peacefully and lead normal lives again.

"I do not believe that the Filipino people are ready to embrace communism as a way of life," Biazon said. "The rebellion started by the Communist Party of the Philippines and its military arm, the NPA, will only grow if you, the people, will help them."

Among those who joined in the dialogue were deputy mayors Simplicio Tano and Dr. Manuel Garcia of Baguio and Calinan districts, respectively, and a host of barangay captains. One of the latter, Carrillo Ali harped on the problem of peace and order in his barangay, but many of his constituents, when interviewed, said that their barangay is actually peaceful.

Tano spoke in behalf of all the presidents of farmers' associations in the two districts, himself being president of one. He also informed the residents who attended the dialogue that the marines had not come to their area to fight but to make "sabot-sabot" (dialogue).

Meanwhile it was learned that the city government had released, or approved for release a total of P1-million for the planting of cacao in Baguio district under the AAA concept.

According to the commander of the marine detachment in Upper Baniwayan, Capt. Infante, they had trained 440 CHDF volunteers out of a total 2,800 who volunteered to join the para-military force. It was not immediately known whether all of the 440 have been armed and are on active duty.

During the dialogue marine Capt. Aquino distributed medicines to those in need, assisted by Dr. Manuel Garcia, who conducted medical checkups of residents.

Call To Work Together

Davao City PEOPLE'S DAILY FORUM in English 3 Oct 84 pp 1, 10

[Article by Leo Villareal]

[Text] Col. Rodolfo Biazon of the 3rd Marine Brigade called today for a peace talk with the New People's Army in Baguio District as part of the intensified pacification drive of the government.

In a dialogue with barangay leaders and residents in Barangay Marilog, Biazon who is the Marines commanding officer here said that a peace meeting with the NPA members is a must to work hand in hand in solving the problems besetting the community.

The appeal of Biazon came in the wake of the reported fighting between the government troops and the rebels in the district.

He said that the Marines and the NPAs are all Filipino brothers who should work together for peace and progress.

The dialogue attended by some 500 people was held to thresh out problems and to bring the government closer to the barangays.

In the same development, Barangay Captain Carillo Ali of Malamba appealed to the rebels to lay down their arms and to join the government in the implementation of development projects.

At the same time, he asked the youths to volunteer as members of the ICHDF to maintain peace and order and to assist in barangay civic action.

Ali also disclosed that the residents esteemed the members of the 3rd Marine Brigade for their courteous manner and exemplary discipline.

The dialogue was facilitated and attended by Deputy Mayors Simplicio Tano and Manuel Garcia, Barangay Captain Mater, Marilog Barangay Captain Nonoy Roldan, Major We, Capt. Infante and other personnel from Philippine Airborne.

CSO: 4200/84

FURTHER REPORTAGE ON FLIGHT OF DAVAO OFFICIALS TO U.S.

Mayor's Denial; Media Figures Flee

Davao City PEO E'S DAILY FORUM in English 2 Oct 84 pp 1, 10

[Text] Buhangin deputy Mayor Pablo Juinio and his son did not "escape" to the United States of American.

They went there merely to attend an American Legion Convention in Ohio together with the deputy mayor's wife, Celestina, also an active civic leader of Buhangin.

This was clarified by Rolly Juinio, one of the sons of the deputy mayor, who manages a chain of bakeries in Davao city.

Juinio's other son who accompanied him to America is George who is the incumbent baranggay captain of Buhangin. The young baranggay captain joined his father and mother in the convention in his capacity as "son of a U.S. legionnaire."

The deputy mayor is considered as one of the members of the Filipino-American veterans Legion, having been once a soldier in the United States Armed Forces in the Far East (USAFEE) during World War II.

They left the Manila International Airport last week on a chartered PAL 747 flight where all of the passengers were delegates to the U.S. veterans convention which will start on Oct. 4.

After the veterans convention, the Juinios will also tour the United States of America before they will return to the Philippines.

The Juinios have a daughter in New York City who works as a nurse and is married to an American citizen.

After their tour of the U.S., Rolly Juinio, who is presently running the family businesses here, will also take time out to tour the U.S. after a 2-week tour of Tokyo, Japan.

"This is a respite and vacation our family have looked forward to and not because we are fleeing the Philippines for good," the young Juinio told the People's Daily Forum in a visit to its editorial staff.

He deplored that the writer of the news item about the sensational escape of the Juinios to the U.S. never bothered to ask the family before coming out with the story.

What was ironic, he said, was that many have misinterpreted their alleged fleeing to the U.S. as if they have committed some "atraso" or have malversed some public funds from government office.

The young Juinio also deplored the term "slip out of the country" as used by the writer saying that before his father left for the U.S. he gathered all the officials of Buhangin district to inform them of their trip and vacation to America.

Juinio also said that his brother, George, has been nominated as an "outstanding baranggay captain of Buhangin" and he has therefore no "atraso" as speculated by some sectors arising from the news.

Meanwhile, City press secretary Gil Abarico has also joined the exodus of Filipinos to the U.S., obviously in search for greener pastures. Also in the U.S. for sometime now is Fred Alonso who is the public information officer of the regional office of the BIR.

Alonso has been in the U.S. for almost two months now that BIR officials have complained of a lack of communications man in their regional office. Alonso, according to insiders at the BIR, plans to stay in the U.S. for long if the American dollars will be good. If not, Alonso, like Gil Abarico might come back.

Abarico is now in Boston, the place where former Sen. Ninoy Aquino stayed in exile, while Alonso is in Ohio.

Last month, several Filipinos went to Los Angeles in the guise of watching the Summer Olympics. However, many of them including some Filipino athletes, did not come back anymore to the PHILIPPINES.

Among the Filipinos who immediately returned from the U.S. olympics after the games were newsman Roger Flaviano and a few others. Flaviano's other companions decided to stay.

Former radio station manager in Davao city, Manny Cabrera stayed behind and now works in the "Home for the Aged" in Los Angeles. Some are still looking for work in L.A.

Recently, many Filipinos who attended the Lions International convention in L.A. did not also return after the convention has long been over.

The ailing Philippine economy has been cited as the major factor why most Filipinos want to live in the U.S. Aside from a bad economy, the peace and order condition in KP has been fast deteriorating, also leaving behind in its wake many, many fatalities.

Journalist Defends Story

[Article by Leo Villareal]

Davao City PEOPLE'S DAILY FORUM in English 5 Oct 84 pp 1, 8

[Text] A local newsman today vehemently denied that the article entitled "Deputy mayor, son 'escape' to America." (People's Daily Forum, September 30) is politically motivated as reported by Rolly Juinio, son of Deputy Mayor Pablo Juinio.

The writer of the story, Bong S. Dizon, said that his article is a scenario, the truth, of the incidents in baranggay Buhangin.

The article tells about the flight of some government officials which include City Councilor Julieta Feliciano, Deputy Mayor Pablo Juinio and baranggay Captain George Juinio, and the rampant petty crimes, salvaging and raids of houses in the place.

Dizon who is from Buhangin cited in his story the incidents of the slaying of civilians (such as the killing of Renato Cawaling, Jr. and Virgilio Necessario by the military), the raids in Orchids St., kidnappings of two youths along the diversion road, and the recent burglary at the district hall by unidentified uniformed armed men.

"Is it wrong to cite the truth?" Dizon asked. "Those are vital issues of the day." He believed that the disclosure of some baranggay leaders that the Juinios (Pablo and George) slipped to the USA "at the height of the unabated occurrences of crimes in the district, at a time when their constituents needed them most" is not derogatory nor politically motivated.

Dizon said he could not see a single sentence in his report which would tarnish the image of the Juinios. Dizon said that the truth, the people's issues should be ventilated saying that "the Deputy Mayor and the Baranggay Captain are my good friends but I could not afford to play deafmute against the backdrop of daily events."

He also belied reports that he is a follower of former City Mayor Luis T. Santos and defeated Baranggay Captain Luzmin "Dodong" Salvador, "I'm just a plain newsman," he said.

Regarding his projection on the 1986 local elections as insinuated in a news item in a local daily, Dizon replied: "I'm not interested to talk about elections."

BENIGNO AQUINO'S SON LEADS 5,000 IN ANTIQUE MARCH

Quezon City ANG PAHAYAGANG MALAYA in English 9 Oct 84 pp 1, 2

[Article by Desiree Carlos]

[Text] SAN JOSE, Antique--Benigno "Noy" C. Aquino III, only son of slain Opposition Leader Benigno S. Aquino Jr., led some 5,000 Antiquenos in a 10-kilometer march Saturday, in protest of the non-solution of the election-eve massacre here last May 13.

The protest marchers also expressed sympathy for the victims, which included 7 supporters of opposition Batasan bet Evelio Javier of the Nacionalista Party (Roy Wing), and two "sacrificial lambs" from the camp of Mambabatas Pambansa Arturo Pacificador of the Kilusan Bagong Lipunan.

The march culminated in a two-hour rally at the Binarayan sports complex that kicked off a four-month fund-raising campaign for the fatherless children of the "victims of injustice" to help them continue their education.

Earlier, at 7 a.m., Javier and Mrs. Sally Perez, sister of Antique Governor Enrique Zaldivar, led relatives of the "ambush" victims in tree planting to symbolize the awakening of peace-loving and simple Antiquenos thru the sacrifice of the 9 "Antique martyrs" to the reality that justice and democracy have become mere concepts in their province.

Noy and the relatives then unveiled a billboard at the approaches to the Pangpang Bridge to remind everyone of the alleged gross violation of human rights in Antique as shown by the May 13 "ambush."

The billboard read:

"Happy are those who died for justice and democracy for they shall be remembered forever."

The three-hour march, which started at 8 a.m., began at the foot of the Pangpang Bridge in the town of Sibalom where the ambush occurred May 13, passed 11 barangays of San Jose, ending at the Binarayan sports center for the rally.

Nonoy was greeted with cheers by the marchers and bystanders during the march. People lined the streets, some offered water and iced candies to the marchers while others laid flowers around Noynoy's neck to make him feel at home in their province.

Two old women-vendors from the market danced to the tune of the ati-atihan throughout the march while sporting "long shorts." A boy with a goat in tow shouted "Ninoy! Nonoy!" as the son was obviously the spitting image of his father.

At the rally, Noynoy was officially dubbed as the "No. 1 orphan of Philippines."

Speaking in Tagalog, Noynoy urged the Antiquenos to continue the cause of the 9 victims which is to fight for justice, freedom, democracy and peace and to help the children left by their fathers.

Noynoy also noted that thru intensified protest actions and by raising the people's level of militancy, the already "sinking" Marcos regime will be totally dismantled.

At present, Noynoy pointed out that Marcos and his cronies have lost the people's trust and confidence. With the worsening economic crisis, the Marcos government has resorted to an intensified use of violence and propaganda techniques to continue to hold on to power.

Still, Noynoy said the people, could topple such a repressive regime thru a strengthened organization and closer ties with other sectors of society in the struggle against dictatorship in the country.

During the rally, Antique youth groups presented a reenactment of the May 13 "ambush" giving both the Pacificador and survivor Luna Sanchez' versions. There elicited laughter and jeers from the crowd as the replica of Pacificador appeared in a black suit with a walkie-talkie in hand and heavily-armed "goons" in tow.

After the rally, delegates coming from all 18 towns, shared their packed lunch in a picnic at the sport center.

Javier disclosed that most of the people who joined the march-rally, mostly fishermen and market vendors, even had to sell some chickens and nipa thatches at P0.80 each in order to shoulder their transportation and food expenses.

Through the event about P7,700 were solicited from contributions. An 8-year old boy, seeing many people donating money also approached the contribution table and gave his P0.25 pocket money.

Some donated chickens, eggs and clothes. Efren Escavilla and Hortencia de los Santos, coordinators for the fund-raising campaign, disclosed that market vendors have volunteered to transform these perishable items (food) into cash by selling them. Non-perishable items, on the other hand, will be shared with the relatives of the victims.

Certificates of donations, Malaya gathered, were distributed by 19 solicitors since Tuesday last week. Sponsor of the activity, Asosasyong Kang Mga Bata Kan Antique (ABAKA), have also extended their reach as far as Metro Manila and Mindanao with Antiquenos in these areas to be specifically trapped for the task of fundraising.

The funds raised, Javier said, would specifically be handled by the nuns from the Assumption Convent.

CSO: 4200/90

DAVAO DAILY DECRIES GOVERNMENT 'LOSING TOUCH' WITH GOVERNED

Davao City THE MINDANAO DAILY MIRROR in English 5 Oct 84 p 2

[Editorial: "Government Losing Touch With the Governed?"]

[Text] Nowadays, people demonstrate, march, stage rally and conduct similar mass actions at the drop of a hand.

Aside from the courts and other legitimate fora, Filipinos resort to the so-called "parliament of the streets" to pour out their sentiments against the government especially.

Is this just a vogue, a fad that would soon go out of fashion? We honestly do not believe so.

Demonstrations, rallies, marches, joggings-for-a-cause and other mass actions are not being done by our countrymen because it is the "in" thing at the moment. We believe they do these because government authorities have not been able to relate their actions to the popular will. The reason why jeepney drivers go on strikes, for instance, is because certain government programs, decrees, and laws are not acceptable to them. This and other situations are brought about simply because authorities have gone ahead with plans, obviously without the necessary consultations with the affected constituents.

The militancy, which is seemingly growing stronger each day, is symptomatic of the government's losing touch of the governed.

We do not want to be simplistic, but we believe that the key here is the government's willingness to listen to its people. This is what democracy is all about.

CSO: 4200/84

DAVAO DAILY DECRIES METRODISCOM 'INVITATION' ON ARTICLES

Davao City PEOPLE'S DAILY FORUM in English 5 Oct 84 p 2

[Commentary by Roger Flaviano: "The Propriety of Enrile's Order"]

[Excerpt] Minister Juan Ponce Enrile of the ministry of national defense (MOND) has, time and again, reiterated a standing order that the military must be cautious in inviting mediamen to answer for their writings. The minister's order noted that opinions molded by scribes through grapevines must be given casual legitimacy unless they are subversive.

We have been informed that the Metrodiscom has invited us to shed light on our columns which touched on the lost P15,000 which, according to sources inside the PC barracks, had been taken by raiding soldiers when they ransacked the workers' union office in Mandug last September 26.

Our curiosity about the invitation started with the fact that only the Forum has been given such informal invitation. The brasses of the barracks, we are told, have not invited some mediamen who taunted and lambasted the military on the air and those who sent news items to national papers.

The article we wrote was made in good light. We did not overturn military credibility, but we urged that the claims on the lost P15,000 workers' fund be properly investigated. We even showed regard for the soldiery that Col. Valderrama has been instituting which, incidentally, has facilitated the friendship between media and the military.

We want to inculcate also into the minds of other media detractors that altho' there are times when our sources falter, it is worth note-taking also that most of the revelations they have given us are unbelievably true. Now, for the sake of argument, that the P15,000 was not taken by the soldiers, the best military can do is give their side. What in heaven's name is the PR man of Metrodiscom doing anyway?

And if the invitation was called for, why the choice?

CSO: 4200/84

UNABATED EXODUS TO U.S. 'CAUSE FOR WORRY'

Davao City PEOPLE'S DAILY FORUM in English 4 Oct 84 p 2

[Editorial: 'A Cause for Worry']

[Text] The unabated exodus of government officials to America in the guise of grants, business concerns, tours and lecture engagements has reached an alarming proportion that people are wont to believe that they have reasons for all their travels abroad.

Most of these public servants, if those words still suit them, flock to the American mainland on obscure itineraries, most often at the expense of the taxpayers. For many, this is a move which is not only alarming, but a cause for worry.

We do not say that those left to minister the affairs of the government are incapable, but we are angered at the disposition that they have the time to wangle time and money at the expense of the position which the populace gave them.

On the part of the Philippines and US governments, perhaps a stricter regulation is required, and not a mere alliance which calls for so-called exchanges in educational, political and social interactions. The mutual intercourse the two countries have towards travel of public officials merely construes a risk whereby the administration of the different local and national governments is not safeguarded.

The influx of these officials for a time now, gives observers the curiosity about a possible plan by those in the government to escape from the hazards and risks the country is presently facing.

If the exodus continues to increase unchecked, and the taxpayers' money are always at stake, perhaps something stern must be instituted. We have been for too long placed in uncertainty as to whether our elected officials are running for the convenience of the people, or for their personal affluence.

We can reason out further that travels of sorts may be good, but not at the time when there is a need for morale-boosting from brasses who, during their

sorties prior to election day, had been promising even heaven to do their best in giving the good development thrusts to the electorate.

If there are those who keep on denying our observations, then so be it. Often we are bent on believing that these denials are meant to cover the real motive of a travel. Take the case of those who have gone ahead, they made also abnegations. But where are they now? They are somewhere, basking in affluence and smiles at the expense of the people.

Should this exodus continue, we have only grief for ourselves. The problem causes more worry than joy.

CSO: 4200/84

REBEL POWERLINE SABOTAGE LAYS OFF 1,000 MINE WORKERS

Davao City PEOPLE'S DAILY FORUM in English 4 Oct 84 pp 1, 10

[Text] At least one thousand workers of the North Davao Mining Corporation were temporarily laid-off yesterday when the firm was forced to stop operation last Monday due to the burning down of a vital power line in Barangay Andili, Mavab leading to the mining area.

Initial reports showed that around fifty heavily-armed rebels started chopping down wooden structures supporting an NPC power line in an isolated area. After reducing the wooden poles to a minimal size, the rebels started burning them until they toppled down. [on pages 1 and 8, the Davao City THE MINDANAO DAILY MIRROR in English for 5 October 84, reported the same incident, writing that "heavily armed men believed to be New People's Army guerrillas knocked down two steel high tension electric power posts of the National Power Corporation...."]

Elements of the Scout Rangers under Task Force Panther led by Major Ramon Hongo immediately rushed to the scene but were not able to caught up with the terrorists. It will be recalled that rebel-terrorists were harassing the mining firm for the past several months. The burning of the power line at Andili, Mavab, was the third of such sabotage work done by rebels. The first was in Barangay New Balanban, which was followed by a similar act in Barangay Mainit in Nabunturan last month.

The management of North Davao Mining Corporation could not give the exact duration of the temporary lay-off. As of press time, management is still assessing the viability of continuing mining operations in the area. The recent incident tends to show that the military forces stationed in Davao Province are finding it difficult if not incapable of containing rebel activities, especially sabotage work on vital government installations.

Meanwhile in a separate development, a "disaster team" from North Davao Mining Corporation was tapped by the government last week to help in the recovery of several bodies believed to have been trapped in several tunnels at the gold-panning area of Diwalval, Mt. Diwata. The team was composed of a doctor, a safety engineer and other technicians. NDMC has offered the services of its "disaster team" to emergency cases in the province of Davao.

CSO: 4200/84

DAVAO MAYOR SEEKS HAZARD PAY FOR CITY EMPLOYEES

Davao City PEOPLE'S DAILY FORUM in English 4 Oct 84 pp 1, 8

[Text] Mayor Elias B. Lopez enplaned the other night to Manila to follow up with the ministry of national defense (MOND) the certification which will grant hazard pay to over 5,000 city employees in the City of Davao.

Lopez' official business trip to the MOND, if successful, will mean the release of hazard pay from the city government outlay covering the third quarter from July to September.

Hazard pay can only be released from city funds if the defense ministry headed by Minister Juan Ponce Enrile issues a certification that Davao City is one of the hazardous place in terms of security and peace and order condition.

Normally, hazard pay ranges from a minimum of P50 to a maximum of P150, depending on the availability of funds of a certain government agency.

Earlier, an outlay to that effect was included in the budget but was forestalled pending the certification of the defense ministry.

If certified by MOND, the 5,000 city government employees will stand to receive about P7.5 million from the city coffers.

City government brasses, however, are optimistic that the certification will be used by Minister Enrile after receiving the report from highranking authorities in the region.

The mayor is expected to be back as soon as his official business shall have been accomplished.

CSO: 4200/84

KBL ASSEMBLYMAN SEEKS PC/INP ABOLITION

Davao City PEOPLE'S DAILY FORUM in English 4 Oct 84 pp 1, 8

[Text] A member of the ruling party in the Batasang Pambansa has sought the abolition of the Philippine Constabulary (PC) and the Integrated National Police (INP).

In their place, it was proposed that a Philippine National Police force be established under a separate ministry.

The proposals are embodied in Parliamentary Bill No. 1927 and introduced by MP Orlando Dulay (KBL, Quirino).

Dulay said the ultimate objective of his bill is the development of a well organized, efficient and responsive national police.

It will also eliminate unit rivalries, conflicts and indifference among the police forces, Dulay said.

According to Dulay, the PC-INP as presently constituted, is not totally integrated as mandated by the constitution.

While it appears to be totally integrated at the top, Dulay said there is still a distinct separation between the PC and the INP in the lower ranks.

Under Dulay's proposal, the national police force shall be a police command with national jurisdiction, subject to only one set of qualification standard, one compensation plan, one uniform, one organizational set-up and a common training program.

The bill also envisions the consolidation of manpower resources, physical facilities, equipment, materials and records into a common pool for maximum efficiency.

Upon abolition of the constabulary, the PC personnel shall have the option to join the national police or any of the major services of the armed forces of the Philippines. The Batasan referred Dulay's bill to the committee on national security and defense and peace and order and the committee on appropriations for study.

NPA EXECUTES DAVAO EX-CONVICT IN JUSTICE EXAMPLE

Davao City PEOPLE'S DAILY FORUM in English 3 Oct 84 pp 1, 8

[Article by Dodong Solis]

[Text] The long arm of the (kangaroo) law of the New People's Army did it again.

An ex-convict, suspected to be responsible for a series of robberies and holdups in the neighborhood, was found dead floating in the creek of Lanang in Lanang district, this city yesterday.

The victim, Meliton de Pana alias Jimmy Hapon, was found with a fatal bullet wound believed inflicted by the NPA liquidation squad in a summary execution which tried to allegedly put an end to his lawless career.

De Pana, only 32 years old and a bachelor, had served a prison sentence in jail and has figured in a holdup in General Santos City recently.

Found in his body was a written note obviously making him as "an example of what would happen if they (criminals) would not mend their ways. The killing is also reminiscent of the so-called Secret Marshals in Metro Manila of the military which have figured in many killings of suspected criminals.

Meanwhile, a policeman apprehended an alleged subversive while in the act of distributing alleged subversive materials to vendors in the public market of Buhangin, this city yesterday afternoon.

Nabbed was one Alex Solarte, 20, single, after police Lt. Dennis Sabido who just came from Camp Catitipan saw him distributing the subversive leaflets.

If not for the presence of many marketgoers, Solarte, who is a resident of Buhangin, would have been dead by now.

CSO: 4200/84

MARINES RAID DAVAO REBEL DEN

Davao City PEOPLE'S DAILY FORUM in English 3 Oct 84 pp 1, 8

[Article by Baby Castillo]

[Text] An armed contingent of Marines belonging to the 3rd Marine Brigade headed by Col. Rodolfo Biazon, raided yesterday morning at 5:00 a.m. a suspected rebel den in sitio. Quimaton, barangay Malabong, Paquibato district, this city.

The operations was conducted following reports fed by residents that armed men were terrorizing and harassing residents in the area.

Col. Biazon did not lose time in dispatching his men to repulse the continuing harassment of the rebel terrorists.

While on their way to the rebel den, the Marines were engaged by about 70 rebels into a gunfight. Experience and discipline took an important part in the shootout, specially so when the terrorists fled from the pursuing Marines after a 30-minute gunfight.

Only one was reported hurt in the skirmishes and she was identified as Celestina Barbon, 41 years old, a resident of Malapangi, Malabog. She was hit in the abdomen by a stray bullet. She was airlifted to the city following a call for assistance radioed by Col. Biazon to the regional unified commander, Brig. Gen. Jaime Echeverria.

Recovered from the fight scene were seven M-1 grenade rifles, two M-16 Armalites, M-79 grenade launcher, 17 M-79 grande ammunition, four Browning automatic rifles (BAR) magazines, 74 clips of M-1 rifle ammunition, 1,100 assorted ammunition and one carbine.

As of press time last night, the Marines were still pursuing the rebels. The terrorists had been reported to have been cordoned already in an area close to the boundary of Bukidnon and Davao.

CSO: 4200/84

3,000 PROTESTORS PICKET PC BARRACKS

Davao City PEOPLE'S DAILY FORUM in English 2 Oct 84 pp 1, 8

[Text] Some 3,000 protesters against political and military repression confronted authorities yesterday with a 15-minute picket at the headquarters of the Constabulary Metropolitan District Command (METRODISCOM) demanding the release of detained labor leaders and local unionists.

The militant protest action was the first of its kind here marked by indignant calls by the protesters, mostly workers, students, religious and members of urban poor communities, to "stop military abuses and atrocities." One placard read: "Military walay konsensiya!" (Militarymen have no conscience.)

The protesters were part of a large group of some 10,000 marchers who held a rally earlier at Freedom Park at the old Boy Scot area lambasting the military for "arbitrary arrests and illegal detention."

The picketers moved to nearby San Pedro Cathedral at close to noontime when military authorities agreed to a dialogue with labor and human rights lawyers.

The protesters under the broad Coalition of Organizations for the Rehabilitation of Democracy (CORD) demanded the unconditional release of Joel Maglungsod and Domingo Montera of the labor alliance Nagkahiusang Mamumuo sa Habagatang Mindanaw (Namhamin) who were arrested Wednesday last week at the DDF Village in Mandug.

Initial results of the dialogue were shared to newsmen outside the Metrodiscom headquarters by labor leaders under the Center for Trade Unionism in Mindanao (Centrum).

Jess Alcosoba said Brig. Gen. Dionisio Tan-Gatue, regional PC-INP chief, "accommodated the labor's petition with bright prospects that Maglungsod and Montera might either be released or placed under the custody of lawyers."

CORD also called on authorities to produce six others reported also arrested during a series of raids conducted by the military on organized labor. CORD said they "held their captors responsible for the security and well-being" of the arrested workers.

Namhamin and Centrum, on the other hand demanded the return of "seized equipment and other union properties including union funds amounting to P15,000 taken when the military ransacked the union office at Lapanday Agricultural Development Corporation (LADECO) also last week.

NEPOTISM NO FACTOR IN NOMINATING LEE KUAN YEW'S SON

Kuching THE BORNEO POST in English 24 Sep 84 p 3

[Text]

SINGAPORE, Sun.- A senior minister has brushed aside the notion that the possibility of the eldest son of Prime Minister Lee Kuan Yew contesting in the coming general elections is nepotism and a preliminary step to setting up a "Hereditary Lee Dynasty" in Singapore.

The Second Deputy Prime Minister (Foreign Affairs) Encik S. Rajaratnam said he took the initiative to request the Peoples' Action Party (PAP) to consider Lee's son, Brigadier-General (Ret) Lee Hsien Loong as a possible candidate.

"I did this because I had, known him from childhood, his outstanding academic record, his strength of character and his brilliant military career are on record for all to see," he said.

In a lengthy explanation in *Petir*, the PAP official organ, he said that as required by party selection proce-

dures he sought a number of confidential letters from all sides giving their assessment of his character and ability.

Encik Rajaratnam who is one of the founder members of PAP said these were made available to members of the selection committees dominated by young PAP leaders.

Brig.-Gen. Lee who has resigned from the Armed Forces and is now the Political Secretary to the Defence Minister will stand in the coming general elections.

He said Prime Minister Lee was not present when Hsien Loong was interviewed and the decision to field was made.

Encik Rajaratnam said there was not the ghost of a chance of nepotism, even if it had been attempted, being able to assert itself through these formidable walls of selection procedure.

In any case, he said, the alleged nepotism has one last and impregnable barrier to overcome—the people's votes.

He said the nomination of Hsien Loong evoked audible gasps of horror from the new guardians of democracy.

"The fact that his father is the Prime Minister and that he was also a professional soldier was in their eyes a double stigma which they hinted darkly would only bring our democracy into disrepute in the eyes of the world," he said.

He said the belief that a military background was incompatible with the spirit and needs of a democratic society was something of an "old wives" tale.

He said by creating a prejudice against soldiers entering politics "we are depriving parliament of one important source of talent."—Bernama

INDONESIA MAY RESUME OIL PROCESSING IN SINGAPORE

Kuala Lumpur **BUSINESS TIMES** in English 3 Oct 84 p 1

[Text] SINGAPORE, Oct. 2. INDONESIA'S state oil company Pertamina is planning to resume long-term crude oil processing in some Singapore refineries to meet its product requirements, industry sources said.

Pertamina has started negotiations through a trading affiliate for processing its Minas crude here for a one-year period beginning this month, they said.

The total volume could be as much as 100,000 barrels per day (BPD) at an average processing fee of 70 US cents a barrel, the sources said.

The sources did not identify Pertamina's trading affiliate or the Singapore refineries involved in the negotiations.

Pertamina withdrew from term processing here in March after the completion of its own refinery expansion programme and has since sent cargoes of Arab Light for spot processing.

The Indonesian company previously sent as much as 200,000 BPD of its crudes for term processing in Singapore refineries--Shell Eastern Singapore Pte Ltd, Esso Singapore Pte Ltd, BP Singapore Pte Ltd, Mobil Oil Singapore Pte Ltd, Mobil Oil Singapore Pte Ltd and Singapore Petroleum Company Pte Ltd.

The sources said that Pertamina had indicated in current negotiations that it would retain the middle distillates and low sulphur waxy residue (LSWR) from the product yield.

Pertamina expects a shortfall in its LSWR exports as domestic demand for the product as feedstock increases.

Pertamina has indicated in its fourth quarter counter-purchase deals that it would reduce the export volume of LSWR to 69,000 BPD from around 120,000 BPD, the sources added.

CSO: 4200/94

INTERNATIONAL RELATIONS, TRADE AND AID

NHAN DAN DEMANDS THAI TROOPS WITHDRAWAL FROM LAOS

OW290825 Hanoi VNA in English 0720 GMT 29 Oct 84

[Text] Hanoi, 29 Oct (VNA)--The daily NHAN DAN today voices strong support to the Lao people's just struggle to defend their territorial integrity and demanded complete withdrawal of Thai troops from the three Lao hamlets they have occupied.

Welcoming the 26 October statement of the Lao Foreign Ministry, NHAN DAN says: "The fact is that Thailand has not completely withdrawn its troops from the Lao territory and has not abandoned its scheme of occupying the three hamlets and its expansionism towards Laos. The fact is that Thai troops are still occupying a positions on [as received] Lao territory in a valley south of Mai Hamlet, carrying out harassment and reinforcing the outposts newly constructed on various hills along the border with the aim of controlling the access to the three hamlets. Worse still, they have not returned the 1,000 or so inhabitants of the three hamlets whom they had forcibly evacuated to Thailand. Noteworthy is that until now the commander of the Thai Army keeps saying that the three above-mentioned hamlets belong to Thailand."

The paper continues: "All those acts of the ultra-rightists in the Thai ruling circles show that they continue their hostile policy toward the Lao people, tailing after Beijing in a policy of confrontation aimed at bleeding the Indochinese peoples. Such a policy is neither realistic nor wise. The Thai people and other sober-minded Thai personalities have openly objected to this policy, which can only bring about disastrous consequences to their promoters and supporters."

"The Lao government and people," the paper points out, "have shown a principled stand and a good-will attitude in their relations with Thailand, i.e., to resolutely defend national independence, sovereignty and territorial integrity, while persistently pursuing a foreign policy of peace and standing prepared to solve the issues in the Lao-Thai relations by negotiations and to hold talks with Thailand at any time. Everyone is waiting for a constructive response from Thailand. It would be quite wrong if the Bangkok authorities should think that they could rely on some kind of force to continue their military adventures." [quotation marks as received]

CSO: 4200/100

'UNSTABLE' THAI POLITICAL SITUATION VIEWED

BK270520 Hanoi Domestic - vice in Vietnamese 0015 GMT 23 Oct 84

[Text] The political situation in Thailand has been unstable for 2 months now. The greatest question currently arising is whether Prime Minister Prem will remain in power or whether he will be replaced by General Athit. The following is an assessment of this unstable situation based on Thai and foreign media:

In reality, this is not the first time General Prem's power has just been challenged. But no sooner had he gained power in 1980 than he had to deal with a coup d'etat engineered by the young Turk Army officers. Then, in March 1983, he had to cope with demands by the military circles for constitutional amendments to allow army officers to join the government. In early August of this year, army officers closely associated with Gen Athit suddenly demanded the extension of Athit's term of office as army commander in chief. To demand this means to pave the way for him to seize the post of defense minister and even prime minister now held by Mr Prem.

On 3 September, Prime Minister Prem postponed a decision to extend Gen Athit's term of office. The instability in the armed forces reached such a critical point that the BANGKOK POST had to raise this warning: There have been indications of a coup d'etat in the making. Bangkok radio quickly reported that on 2 September Athit asked the National Assembly to postpone a debate over the issue. It also made public a list of 352 army officers who had just been promoted by the government. The situation was therefore temporarily eased.

On 14 September, Prime Minister Prem went to the United States and planned to stay there for 1 month for alleged treatment of his illness. But a little more than 10 days later, he returned to Thailand on 26 September, claiming that he was alright. A well-rounded report also said that Prem would retain his premiership until 1987 or 1988.

On the very same day that Prem landed at Don Muang Airport, Athit said he did not wish to become prime minister. Many people breathed a sigh of relief, thinking that the political storm had passed. But only 2 days after his return to Bangkok, Mr Prem was admitted to the Mongkut Army Hospital where he stayed until 12 October. This prompted many questions of his health. The

military circles held that the premiership could fall into Athit's hands. But many things occurred after that, such as Prime Minister Prem's being visited twice by the queen and receiving open vocal support from the U.S. ambassador. It seems that Mr Prem's position of power cannot be tempered with at this time.

Mr Prem's remaining prime minister for 2 more years means that the chance for Athit to succeed him is diminished. Whether Mr Prem will have to quit unceremoniously or whether Athit will become prime minister before September 1985 is also a big question.

Is it correct that the White House and the CIA do not wish to see a political upheaval in Bangkok at this time because a chaotic Thai situation would not be good for the United States?

By turning down the army's proposal for constitutional amendments, the 64-year-old prime minister has, in fact, accepted an inevitable showdown with the army.

What about the attitude of the Thai people toward the power struggle in Bangkok? Since 1932, Thailand has gone through 13 regimes, 14 coup d'etats, 11 elections, 42 cabinet reshuffles, and countless disastrous ups and downs such as those of the past weeks. If they have any concern now, it is because there have been many sensationalistic press reports. The paper WORLD [Times] said: Public opinion holds that no matter what countermeasures may be taken, the prospect will continue to be very dark. The paper DAILY NEWS said: Businessmen should be ready to face dire difficulties. Now disconcerting it is when people at the Foreign Ministry love speaking Chinese more than speaking Thai!

As long as the Bangkok administration tails after Beijing's reactionary policy of collusion with Washington, the Thai people will continue to be victimized. Just like the leaders of the former Bangkok administration who linked Thai destiny with the United States, Athit and Prem have both loved U.S. weaponry and dollars, both have taken pains to make frequent visits to Beijing, and both have sought ways to promote the design of carrying out the pan-Thai expansionist-hegemonist policy against the neighboring peoples as evidenced by the fact that they have occupied three Lao villages.

Their foreign policy of tailing after the United States and China has been widely condemned by public opinion and will only bring disaster upon the Thai people.

CSG. 4209/29

INTERNATIONAL RELATIONS, TRADE AND AID

PARTY GREETES SYRIAN COMMUNISTS' 60TH ANNIVERSARY

OW271758 Hanoi VNA in English 1451 GMT 27 Oct 84

[Text] Hanoi, 27 Oct (VNA)--The Communist Party of Vietnam Central Committee today extended its warm greetings to the Central Committee of the Syrian Communist Party on the 60th SCP anniversary.

The message says: "Together with other patriotic forces, over the past 60 years, the Syrian Communist Party has persistently struggled against imperialism, Zionism, and other reactionary forces, for an independent, progressive and prosperous Syria, thus actively contributing to the common struggle of the Arab peoples to wrest back Arab territories illegally occupied by Israel, restore the Palestinian people's inviolable national rights, and strive for the epochal objective, namely peace, national independence, democracy and social progress."

The message continues: "We are convinced that, with their tradition of brave struggle and with close unity with the other Arab countries, the Soviet Union, and other socialist countries, and all other progressive forces, the Communist Party and peoples of Syria will defeat all plots of interference and aggression by the U.S. imperialists and Israeli Zionists, safeguard their revolutionary gains, make Syria strong in all fields, and bring into full play the country's active role in the common struggle in the Middle East."

In conclusion, the message wishes the solidarity and friendship between the parties and peoples of Vietnam and Syria further consolidation and development.

CSO: 4200/100

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

CONGOLESE DELEGATION ARRIVES--Hanoi, 19 Oct (VNA)--A two-member delegation of the Propaganda Department of the Congolese Party of Labor (CPL) arrived here today on a friendship visit to Vietnam at the invitation of the Communist Party of Vietnam Central Committee (CPV CC). The delegation includes Jacques Nicolas Mvononze (spelling of name as received) secretary of the CPL Central Committee in charge of propaganda and mass agitation as its head; and Elorian Kiakouama, head of the CPL CC's propaganda department. It was greeted by Hoang Tung, secretary of the CPV Central Committee; Dao Duy Tung, member of the CPV CC and head of the party CC's department for propaganda and training; and others. [Text] [Hanoi VNA in English 1502 GMT 19 Oct 84]

LEBANESE CP GREETED--Hanoi, 23 Oct (VNA)--The Communist Party of Vietnam Central Committee today extends its warmest greetings to the Lebanese Communist Party on the occasion of its 60th anniversary. In its message of greetings, the CPV CC says: "We highly value your party's contributions to the just struggle of the Lebanese people and of the other Arab nations. We are confident that with its tradition of undaunted struggle, the Lebanese Communist Party will overcome all difficulties and trials and achieve still greater victories in its revolutionary cause. May the friendship and militant solidarity between our two parties and peoples be constantly consolidated and developed." [Text] [Hanoi VNA in English 1533 GMT 23 Oct 84]

MESSAGE TO ETHIOPIA--Hanoi, 25 Oct (VNA)--The Vietnamese-Ethiopia Friendship Association today sent a message expressing sympathy with its Ethiopian counterpart over the human and material losses caused to the Ethiopian people by the serious spell of drought that has been striking the country for years. The message wishes the Ethiopian people under the leadership of the Ethiopian Workers' Party and the provisional military administrative council headed by President Mengistu Haile Mariam, with their spirit of staunch struggle and their traditional industriousness, quick recovery from the natural disaster. [Text] [Hanoi VNA in English 1542 GMT 25 Oct 84]

DELEGATION TO ALGERIAN CELEBRATION--Hanoi, 26 Oct (VNA)--A Vietnamese party and government delegation, led by Nguyen Dinh Tu, member of the Communist Party of Vietnam Central Committee and minister of secondary vocational and higher education, left here for Algiers yesterday to attend the 30th national day of the Algerian Democratic and People's Republic. The delegation, guest of the Algerian National Liberation Front Party, was seen off by Deputy Minister of Secondary Vocational and Higher Education Tran Hong Quan and Algerian Ambassador Sefardjeli Asse. [spelling as received]. [Text] [Hanoi VNA in English 1636 GMT 26 Oct 84]

CONGOLESE DELEGATION CONCLUDES VISIT--Hanoi, 26 Oct (VNA)--The two-member delegation of the Congolese Party of Labour (CPL) headed by Jacques Nicolas Mvononze, secretary of the CPL Central Committee in charge of propaganda and mass agitation, left here for home today after a week-long visit to Vietnam. During its stay, the Congolese guests visited the late President Ho Chi Minh's home and office and were received by Vo Chi Cong, Political Bureau member, and secretary of the Communist Party of Vietnam Central Committee. They also exchanged views with Hoang Tung, secretary of the CPV CC and Dao Duy Tung, secretary of the CPV CC and head of its department for propaganda and training. The Congolese delegation called at the office of the NHAN DAN (PEOPLE) daily, the committee and radio and television, the propaganda and training college and Haiphong port city. The delegation expressed its fine impressions of the visit and its confidence in the solidarity and close friendship between the parties and peoples of Vietnam and Congo. [Text] [Hanoi VNA in English 1608 GMT 26 Oct 84]

DO MUOI RECEIVES GUINEAN ENVOY--Hanoi, 26 Oct (VNA)--Vice Chairman of the Council of Ministers Do Muoi today received Koikoi Grovogui, ambassador extraordinary and plenipotentiary of the Republic of Guinea, who paid him a leave-taking call. Do Muoi, on behalf of chairman of the Council of Ministers Pham Van Dong, had a cordial talk with the Guinean diplomat. [Text] [Hanoi VNA in English 1611 GMT 26 Oct 84]

AAPSO COMMITTEE MEETS--Hanoi, 27 Oct (VNA)--The Vietnam AAPSO committee held a meeting here today to review its work and map out a program of action for the coming period. Reports on the world situation, especially in Southeast Asia, were presented at the meeting. The participants shared the view that the three revolutionary currents are surging ahead in all continents, particularly in Asia, Africa and Latin America, in spite of wicked plots and moves by U.S.-led imperialism, expansionism and other reactionary forces. They expressed satisfaction at the committee's activities in the past period to help further enhance Vietnam's solidarity, friendship and cooperation with other peoples in Asia and Africa. The meeting adopted a program of action for the coming period in which greater efforts will be made to motivate the Vietnamese people to join the common struggle for peace and national independence and social progress. [Text] [Hanoi VNA in English 1519 GMT 27 Oct 84]

AAPSO SUPPORT FOR ANC--Hanoi, 27 Oct (VNA)--The Vietnam-AAPSO committee has sent a message to the African National Congress [ANC] strongly condemning the racist Pretoria administration for brutally repressing the African people in the southern part of Johannesburg. The message urges the Pretoria regime to end immediately all its acts of repression and persecution against the South African people and set free all South African patriots it is detaining. The message reiterates the Vietnamese people's militant solidarity with the fraternal South African people in their staunch and indomitable struggle for fundamental and legitimate national rights. [Text] [Hanoi VNA in English 1522 GMT 27 Oct 84]

TRUONG CHINH GREETES AUSTRIA--Hanoi, 27 Oct (VNA)--President of the State Council Truong Chinh has sent a message of greetings to President Rudolf Kirchschlaeger on the occasion of the national day of the Republic of Austria (26 October). [Text] [Hanoi VNA in English 1514 GMT 27 Oct 84]

ECONOMIC PLANNING, TRADE AND FINANCE

NIHAN DAN ON TECHNICAL SERVICES FOR DISTRICTS

BK291549 Hanoi Domestic Service in Vietnamese 2300 GMT 25 Oct 84

[NIHAN DAN 26 October editorial: "Technical Services in Support of Production in the District"]

[Text] Technical services in support of production in the district play an important role in building and strengthening the district level. The technical service network consists of corporations, enterprises, stations, farms, and business establishments supporting production. The organization of technical service establishments subordinate to the district and the promotion of cooperation and integration between service sectors and grassroots production and business units now constitute a factor for shapping up a system of entrepreneurial economic management beside the system of state management at the district level.

Before being turned over to the districts, all technical service establishments in the districts were under the management of provincial sectors. Placed under the subsidy-based management system, almost all stations, farms, and enterprises for a long period of time served in reality as depots and warehouses where goods and supplies were stored for exchanging between the province and the districts; and they were haphazardly equipped with poor and simple material-technical bases. In that situation, many service establishments did not really have a close relationship with production units and the production units did not have logistical support for expanding their production and business activities.

The decentralization of economic management and the turning over of production, business, and service establishments to the districts have been carried out intensively, especially in the pilot districts set up by provinces and the central government. In the production area, a number of provinces have finished turning over to the districts state-run service establishments such as tractor, farmland water conservancy, supply, veterinary medicine, and vegetation protection stations; stations and farms producing crop seeds and breeds of livestock; and workshops producing farming implements and repairing machinery.

The technical service network truly serves as a managerial method for linking the district with grassroots units and as an important instrument for the

district level to improve its managerial efficiency, closely control production units, and meet their needs in a realistic manner. At the same time, this network also helps the cooperatives expand production and business activities, ensures satisfactory completion of work assignments undertaken by the collectives under the new contract system, negates the use of unqualified personnel, and assists laborers working under contracts in fully observing the techniques for intensive crop cultivation. Thanks to the concern of the various sectors, and to the satisfactory takeover, management, and guidance of the districts, most service establishments have been consolidated, and they have developed a positive impact on production. Some establishments have shifted from unit-audited accounting to independent accounting and made a profit instead of running up losses as before.

The relationship between service establishments and production units has improved by a step. Many districts have satisfactorily consolidated the existing establishments and set up new ones to meet the needs of production. In the process of building the economy and organizing life, a number of large districts with a high rate of production development are setting up a local technical service complex as part of the socioeconomic complex of each production area. Such a complex usually includes such service facilities as tractor and farmland water conservancy units, general supply stores, and crop and livestock breeding units that jointly operate on an integrated basis to offer services to the local cooperatives. This setup links the interests of service establishments with those of cooperatives, production units, and specialized teams, and at the same time, it is convenient for production units and the laborers.

The experience gained by those districts that have done this well shows that to achieve high economic results all technical service establishments must sign contracts with production units. Such contracts will link responsibility and remuneration with the outcome of the plan, open up a new relationship between service establishments and production units, and create an environment that encourages economic and technical cadres to further improve their professional skills and closely associate themselves with the basic units in applying technical innovations to production more rapidly and copiously than previously.

On the basis of the general plan and sectoral plans, the district must stabilize at an early date the production and business orientations for each service sector and link all sectors with the basic units and one sector with another for the purpose of supporting production under contracts. The district must take the initiative of formulating plans, complete with comprehensive and realistic business and service methods, for each sector so that the latter will have an initial momentum for operating on the basis of independent economic accounting.

Attention must be given to consolidating the contingent of key, capable cadres of each service sector, first of all directors, chairmen, and planning, accounting, and financial cadres. The district should expand economic integration with other districts and the various sectors both inside and outside the province, create sources of capital and supply for the basic units.

and remove all bottlenecks so that the basic units can fulfill the tasks assigned. By applying the motto "the state and the people work together" in a flexible manner, the district and production units must jointly overcome the imbalances concerning supply and capital to ensure the highest results of business and service activities so that the various service sectors can grow strong and reach maturity quickly and become more dynamic and creative in management and rendering services.

With self-reliance and a sense of responsibility, it is certain that all technical service establishments will satisfactorily serve the districts' movement for production and make an important contribution to building districts and strengthening the district level.

CSO: 4209/29

AGRICULTURE

BRIEFS

HO CHI MINH CITY MILK PRODUCTION--Hanoi, 24 Oct (VNA)--The milk-coffee-confectionary factory No 1 in Ho Chi Minh City in the first past nine months achieved 82.47 percent of its gross output value for this year. The factory has produced 1.5 million tins of condensed milk for the northern border provinces. It has also provided equipment for the Duc Trong dairy farm in the central highland province of Lam Dong and produced 300,000 more tins with milk supplied by this farm. With materials from the buffalo farm in Song Be Province, northwest of Ho Chi Minh City, the factory has produced 40,000 litres of buffalo milk for the city people. The factory has also provided technical assistance for breeders of milch cows in the suburban districts and for confectionary workshops in other provinces of the south as well as in Kampuchea. [Text] [Hanoi VNA in English 0708 GMT 24 Oct 84 OW]

NGHIA BINH MARINE EXPORTS--Hanoi, 25 Oct (VNA)--The central coast province of Nghia Binh in the first ten months of 1984 collected 528 kgs of salangane nests and produced 15 tons of dried cuttlefish and 16 tons of fish fin tendons for export. All the three are special marine products of some central Vietnam coastal provinces highly valued as gourmet choices on foreign markets. In spite of unfavourable weather for cuttle-fish fishing, the marine products service has prevailed upon fishermen in the province to set aside the best of their catches for export. In particular, salangane nest export is 128 kgs higher than the yearly target and increases by 2.5 times over the 1983 figure. Fish fin tendon export increased by six tons over last year. To fulfill the 1984 plan, the marine products service of Nghia Binh is helping the fishing cooperatives to broaden their fishing grounds and diversify their products. It also has plans to supply them with more boats and other fishing equipment. [Text] [Hanoi VNA in English 0742 GMT 25 Oct 84 OW]

CSO: 4200/100

HEALTH, EDUCATION AND WELFARE

BRIEFS

YOUTH DEFENSE OBLIGATIONS--On 24 October, representatives of QUAN DOI NHAN DAN, TIEN PHONG, and THIEU NIEN TIEN PHONG and of the Voice of Vietnam's Youth Program editorial staff held a meeting at the editorial office of QUAN DOI NHAN DAN to exchange experiences in order to perform even better the task of motivating and encouraging youths throughout the country to zealously discharge their national defense obligation. The participants discussed the need to enhance press propaganda and educational work for the purpose of urging young people nationwide to enthusiastically fulfill the obligation of defending the fatherland. They also agreed to cooperation in publishing the QUAN DOI NHAN DAN a page devoted to the subject of youth with the national defense obligation. [Text] [Hanoi Domestic Service in Vietnamese 0500 GMT 26 Oct 84]

CSO: 4209/29

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